

2000-03 BP Annual Rpt (20F) for 1999.txt

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1231

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BUSINESS ADDRESS:

STREET 1:

BRITANNIC HOUSE

STREET 2:

1 FINSBURY CIRCUS

CITY:

LONDON EC2M 7BA ENGL

STATE:

X0

BUSINESS PHONE:

2165865193

MAIL ADDRESS:

STREET 1:

BP AMERICA INC

STREET 2:

200 PUBLIC SQ

CITY:

CLEVELAND

STATE:

OH

ZIP:

44114

FORMER COMPANY:

FORMER CONFORMED NAME:

BRITISH PETROLEUM CO PLC

DATE OF NAME CHANGE:

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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FORM 20-F

(Mark One)

[]

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) or (g)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[X]

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934
FOR THE FISCAL YEAR ENDED DECEMBER 31, 1999

OR

[]

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

COMMISSION FILE NUMBER 1-6262

BP AMOCO P.L.C.

(Exact name of Registrant as specified in its charter)
ENGLAND AND WALES

(Jurisdiction of incorporation or organization)

BRITANNIC HOUSE
1 FINSBURY CIRCUS
LONDON EC2M 7BA
ENGLAND

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

<TABLE>
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Title of each class

<C>

Name of each exchange
on which registered

ORDINARY SHARES OF 25C EACH

CHICAGO STOCK EXCHANGE*
NEW YORK STOCK EXCHANGE*
PACIFIC EXCHANGE, INC.*

connection

Depository

the

</TABLE>

*Not for trading, but only in
with the registration of American
Shares, pursuant to the requirements of
Securities and Exchange Commission

Securities registered or to be registered pursuant to Section 12(g) of the Act.

NONE

Securities for which there is a reporting obligation pursuant to section 15(d)
of the Act.

NONE

Indicate the number of outstanding shares of each of the issuer's classes
of capital or common stock as of the close of the period covered by the annual
report.

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ORDINARY SHARES OF 25C EACH

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19,484,024,424

CUMULATIVE FIRST PREFERENCE SHARES OF L1 EACH

7,232,838

CUMULATIVE SECOND PREFERENCE SHARES OF L1 EACH

5,473,414

</TABLE>

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X

No. _____

Indicate by check mark which financial statement item the Registrant has elected to follow.

Item 17 _____

Item 18 X

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<C>

<C>

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Note: Omitted items are inapplicable.

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CERTAIN DEFINITIONS.

Unless the context indicates otherwise, the following terms have the meanings shown below:

OIL AND NATURAL GAS RESERVES

'Proved reserves' -- Estimated quantities of crude oil or natural gas which geological and engineering data demonstrate with reasonable certainty to be recoverable in future years from known reservoirs under existing economic and operating conditions, i.e. prices and costs as of the date the estimate is made.

'Proved developed reserves' -- Reserves that can be expected to be recovered through existing wells with existing equipment and operating methods. Additional oil and gas expected to be obtained through the application of fluid injection or other improved recovery techniques for supplementing natural forces and mechanisms of primary recovery are included as 'proved developed reserves' only after testing by a pilot project or after the operation of an installed programme has confirmed through production response that increased recovery will be achieved.

'Proved undeveloped reserves' -- Reserves that are expected to be

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recovered from new wells on undrilled acreage, or from existing wells where a relatively major expenditure is required for recompletion. Reserves on undrilled acreage are limited to those drilling units offsetting productive units that are reasonably certain of production when drilled. Proved reserves for other undrilled units are claimed only where it can be demonstrated with certainty that there is continuity of production from the existing productive formation. Under no circumstances are estimates of proved undeveloped reserves attributable to acreage for which an application of fluid injection or other improved recovery technique is contemplated, unless such techniques have been proved effective by actual tests in the area and in the same reservoir.

MISCELLANEOUS TERMS

'ADR'-- American Depositary Receipt.

'ADS'-- American Depositary Share.

'Amoco' -- The former Amoco Corporation and its subsidiaries.

'Associated undertaking' -- An undertaking in which the BP Amoco Group has a participating interest and over whose operating and financial policy the BP Amoco Group exercises a significant influence (presumed to be the case where 20% or more of the voting rights are held) and which is not a subsidiary undertaking.

'Barrel' -- 42 US gallons.

'Billion'-- 1,000,000,000.

'BP' or 'BP Group'-- The British Petroleum Company p.l.c. and its subsidiaries.

'BP p.l.c.'-- The British Petroleum Company p.l.c..

'BP Amoco', 'BP Amoco Group' or the 'Group' -- The Company and its subsidiaries.

'Cent' or 'c' - One hundredth of the US dollar.

The 'Company' -- BP Amoco p.l.c.

'Crude oil' -- Includes condensate and natural gas liquids.

'Dollar' or '\$' -- The US dollar.

'Gas'-- Natural Gas.

'LNG'-- Liquefied Natural Gas.

'London Stock Exchange' or 'LSE'-- London Stock Exchange Limited.

'LPG'-- Liquefied Petroleum Gas.

'NGL'-- Natural Gas Liquid.

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'Noon Buying Rate' -- The noon buying rate in New York City for cable transfers in pounds as certified for customs purposes by the Federal Reserve Bank of New York.

'OECD' -- Organization for Economic Cooperation and Development.

'Oil' -- Crude oil, condensate and natural gas liquids.

'OPEC'-- The Organization of Petroleum Exporting Countries.

'Ordinary Shares'-- Ordinary fully paid shares in BP Amoco p.l.c. of 25c each.

'Pence' or 'p' -- One hundredth of a pound.

'Pound', 'sterling' or 'L' -- The pound sterling.

'Preference Shares'-- Cumulative First Preference Shares and Cumulative Second Preference Shares in BP Amoco p.l.c. of L1 each.

'Subsidiary undertaking' -- An undertaking in which the BP Amoco Group holds a majority of the voting rights.

'Tonne' or 'metric ton' -- 2,204.6 pounds.

'Trillion'-- 1,000,000,000,000.

'UK'-- United Kingdom of Great Britain and Northern Ireland.

'UK GAAP' -- Generally Accepted Accounting Practice in the UK.

'Undertaking' -- A body corporate, partnership or an unincorporated association, carrying on a trade or business.

'US' or 'USA' -- United States of America.

'US GAAP' -- Generally Accepted Accounting Principles in the USA.

EXCHANGE RATES

The following table sets forth, for the periods and dates indicated, certain information concerning the Noon Buying Rate for the pound in New York City for cable transfers in pounds as certified for customs purposes by the Federal Reserve Bank of New York. This is expressed in dollars per L1.

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Calendar year

Low

at Year End Average(a) High

<S>

<C>

<C>

<C>

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1995.....

1.55

1.58

1.64

1.53

1996.....

1.71

1.57

1.71

1.49

1997.....

1.64

1.64

1.70

1.58

1998.....

1.66

1.66

1.72

1.61

1999.....

1.62

1.62

1.66

1.60

2000 (through March 24) (b).....

--

--

1.65

1.57

</TABLE>

(a) The average of the Noon Buying Rates on the last day of each month during the calendar year.

(b) The Noon Buying Rate on March 24, 2000 was \$1.59 = L1.

<PAGE>

PART I

ITEM 1 -- DESCRIPTION OF BUSINESS

GENERAL

UNLESS OTHERWISE INDICATED, INFORMATION IN THIS ITEM REFLECTS 100% OF THE ASSETS AND OPERATIONS OF THE COMPANY AND ITS SUBSIDIARIES WHICH WERE CONSOLIDATED AT THE DATE OR FOR THE PERIODS INDICATED, WITHOUT THE EXCLUSION OF MINORITY INTERESTS. ALSO, UNLESS OTHERWISE INDICATED, FIGURES FOR BUSINESS TURNOVER INCLUDE SALES BETWEEN BP AMOCO BUSINESSES

BP Amoco was created on December 31, 1998 by the merger of Amoco Corporation of the USA and The British Petroleum Company p.l.c. of the UK. Following this merger, Amoco Corporation became a wholly owned subsidiary of BP p.l.c. and was renamed BP Amoco Corporation, and The British Petroleum Company p.l.c. was renamed BP Amoco p.l.c. Amoco Corporation was incorporated in Indiana, USA, in 1889 and The British Petroleum Company p.l.c. was incorporated in 1909 in England.

BP Amoco is one of the world's leading oil companies on the basis of market capitalization and proved reserves. Our worldwide headquarters is located in London, UK.

Our main businesses are Exploration and Production, Refining and Marketing, and Chemicals. Exploration and Production's activities include oil and natural gas exploration and field development and production (upstream activities), together with pipeline transportation, natural gas processing and gas and power marketing (midstream activities). The activities of Refining and Marketing include oil supply and trading as well as refining and marketing (downstream activities). Chemicals activities include petrochemicals manufacturing and marketing. In addition, we have a solar energy business which is one of the world's largest manufacturers of photovoltaic modules and systems. The Group provides high quality technological support for all its businesses through its research and engineering activities.

We have well established operations in Europe, the USA, Canada, South America, Australasia and parts of Africa. More than 70% of the Group's capital is invested in OECD countries with approximately one half of our fixed assets located in the USA, and about one third located in the UK and the Rest of Europe.

We believe that BP Amoco has a strong portfolio of assets in its three main businesses:

- In Exploration and Production in the USA we have established production bases in oil in Alaska and in oil and natural gas in the Gulf of Mexico, and extensive natural gas production in the Lower 48 States. We are the largest producer of both oil and natural gas from UK fields, and we have exploration or production operations in several other areas including Latin America, the Caspian Sea region and Africa.
- In Refining and Marketing we have a strong presence in the Midwest, East and Southeast of the USA through our Amoco brand and this is reinforced in the Midwest and Southeast by our BP brand. In Europe we have a strong retail position in fuels through a joint venture with ExxonMobil Corporation (ExxonMobil). We have agreed to purchase ExxonMobil's share of this joint venture. In addition we have established or growing retail

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businesses elsewhere in the world under the BP brand.

- In Chemicals we have a strong manufacturing and marketing base in the USA and Europe, and are aiming to grow in the Asia Pacific region where we already have interests in a number of plants. We have a strong position in the technology and production of olefins and derivative products (polyethylene, acetic acid and acrylonitrile), as well as a leading position in aromatics and derivative products (purified terephthalic acid, paraxylene and metaxylene).

The integration of BP and Amoco following the merger was completed in 1999 and the anticipated cost savings at a rate of \$2 billion per annum before tax were achieved by the end of that year.

Following completion of the merger on December 31, 1998 and in the context of low oil prices at the time, BP Amoco undertook a strategic and portfolio review in early 1999. This was completed in the Spring of 1999 and resulted, among other things, in the development of an asset divestment programme.

The guiding principle of the strategic and portfolio review was to concentrate the combined Group's operations on areas of competitive strength and, in the upstream portfolio, to dispose of assets which would not be robustly economic on the basis of conservative assumptions about future oil prices.

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Our new strategy has evolved from those of BP and Amoco. In Exploration and Production our goal is to have significant shares of the larger oil and natural gas fields where our supply costs can be fully competitive with all other producers. We are developing a new business division - Gas and Power - specifically designed to extend our interests as the mix of world energy consumption shifts in favour of natural gas. In Refining and Marketing we intend to invest in the marketing areas which are growing, such as China and Poland, while focusing our refining on advantaged areas. In Chemicals we are continuing to establish a set of advantaged sites distinguished by excellence in manufacturing and close links to both the supply of resources and evolving demand growth.

In July 1999, we announced a new set of targets taking us through to the end of 2001. Our aim is to improve returns by around five to six percentage points, compared with the base-line of 1998, on the basis of cautious assumptions about the trading environment. We cannot, and do not, rely on oil prices maintaining their current levels.

Even allowing for price fluctuation, we believe we can continue to improve performance through selective upgrading of the portfolio, including sustained reductions in costs, a steady programme of investment in the existing business amounting to some \$24-26 billion over three years and a programme to divest some \$10 billion of assets by the end of 2001.

Our financial framework is to maintain a ratio of net debt to net debt plus equity within a range of around 25-30% and a dividend policy which aims to return to shareholders around 50% of estimated average replacement cost profit before exceptional items through the business cycle. If circumstances give us a larger surplus it is anticipated that cash will either be used to fund further growth investment or be returned to shareholders.

The following table summarizes the Group's turnover, results and capital expenditure for the last five years and total assets at the end of each of those years.

<TABLE>

1995	1999	1998	1997	1996
------	------	------	------	------

<S>	<C>	<C>	<C>	<C>
<C>				
Turnover.....	101,180	83,732	108,564	102,064
84,216				
Less: joint ventures.....	17,614	15,428	16,804	--
--				

Group Turnover (sales to third parties)	83,566	68,304	91,760	102,064
84,216				

Total replacement cost operating profit	8,894	6,521	10,683	10,634
8.264				

Profit for the year*.....	5,008	3,220	5,673	7,417
3,700				

Capital expenditure and acquisitions	7,345	10,362	11,420	10,288
--------------------------------------	-------	--------	--------	--------

Total assets.....	89,561	84,915	86,279	88,651
-------------------	--------	--------	--------	--------

</TABLE>

* After minority shareholders' interest

(a) As restated for the effect of the adoption of Financial Reporting Standard No.12 'Provisions, Contingent Liabilities and Contingent Assets'. For further information see Note 43 of Notes to Financial Statements.

Information for 1999, 1998 and 1997 concerning the profits and assets attributable to the businesses and to the geographical areas in which the Group operates is set forth in Item 18 -- Note 45 of Notes to Financial Statements.

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The following table shows our production for the last five years and the estimated proved oil and gas reserves at the end of each of those years.

<TABLE>

<CAPTION>

1995 1999 1998 1997 1996

<S> . <C> <C> <C> <C>

<C>

Total crude oil production (thousand barrels per day)(a).....	2,061	2,049	1,930	1,903
--	-------	-------	-------	-------

1,873
Total natural gas production

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(million cubic feet per day)(a).....	6,067	5,808	5,858	5,917
5,485				
Total estimated net proved crude oil reserves (million barrels)(b).....	6,535	7,304	7,612	7,325
6,987				
Total estimated net proved natural gas... reserves (billion cubic feet) (b).....	33,802	31,001	30,374	30,349
29,534				

</TABLE>

(a) Includes BP Amoco's share of equity-accounted entities.

(b) Net proved reserves of crude oil and natural gas exclude production royalties due to others and reserves of equity-accounted entities.

During 1999, 1,172 million barrels of oil and natural gas, on an oil equivalent* basis (mmboe), were added to BP Amoco's proved reserves, more than replacing the volume produced. In addition, 157 mmboe were transferred from reserves of equity-accounted entities into net proved reserves of the BP Amoco Group after the dissolution of Crescendo Resources when BP Amoco purchased a majority of Repsol YPF's interest. After allowing for production which amounted to 1,050 mmboe and sales net of purchases totalling 565 mmboe, BP Amoco's proved reserves decreased to 12,363 mmboe. These proved reserves are mainly located in the USA (48%), the UK (17%) and Trinidad and Tobago (17%).

RECENT DEVELOPMENTS

THE PROPOSED COMBINATION OF BP AMOCO AND ARCO

On April 1, 1999 the Board of BP Amoco announced that it had reached agreement on a proposed combination (the combination) with the Atlantic Richfield Company (ARCO) of Los Angeles.

The agreement relating to the proposed combination (the Combination Agreement), approved by the boards of both BP Amoco and ARCO, provides that all common shareholders of ARCO, with the exception of BP Amoco, ARCO or any of their subsidiaries, will receive 9.84 BP Amoco ordinary shares of US\$0.25 each in the form of BP Amoco ADSs or, at the election of the shareholder, BP Amoco ordinary shares, in return for the cancellation of each of their shares (other than the shares held by CH-Twenty Holdings, LLC, a subsidiary of ARCO) (the Cancelled ARCO Shares). It also provides for the issue to BP Amoco of new common shares equal in number to the Cancelled ARCO Shares by a newly enlarged ARCO formed by a statutory merger of Prairie Holdings, Inc. (a direct wholly owned subsidiary of BP Amoco) into and with ARCO. Any right to a fraction of a BP Amoco ADS or an odd lot of less than six BP Amoco ordinary shares will be satisfied by a cash payment. Both ARCO and BP Amoco shareholders voted overwhelmingly in favour of the combination at shareholders' meetings on August 30, 1999 and September 1, 1999, respectively.

BP Amoco and ARCO announced in early November 1999 that they had reached provisional agreement with the Alaskan State Governor on a package of asset disposals and other measures designed to secure Alaskan government acceptance for the proposed combination of the two companies. Subject to the completion of the combination, BP Amoco would sell 175,000 barrels of production per day together with associated infrastructure, 620,000 acres of state and federal exploration leases, and matching stakes in the Trans Alaska Pipeline System (TAPS). The provisional agreement was finalized into an agreement with the State of Alaska (the Alaskan Charter Agreement) made in early December 1999.

On February 4, 2000 the US Federal Trade Commission (FTC) filed a complaint in the US District Court (the Court) seeking a preliminary injunction to prevent

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closing of the combination. The Attorney Generals for the States of California, Oregon and Washington (the Western States) also filed complaints with the same Court. The Attorney General for the State of Alaska joined in the Court proceedings in support of the combination.

* Natural gas is converted to oil equivalent at 5.8 billion cubic feet = 1 million barrels.

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On March 15, 2000 BP Amoco announced that it and ARCO had agreed to sell ARCO's Alaskan business to Phillips Petroleum Co. (Phillips) for around \$7 billion. The sale, which is subject to completion of the combination, is intended to address anti-trust concerns of the FTC. The sale to Phillips of all ARCO's Alaskan business includes a 21.9% interest in the Prudhoe Bay oil rim and 42.6% of the natural gas cap, a 55% interest in the greater Kuparuk area and a 78% interest in the Alpine field. Also included are 1.1 million net exploration acres, a 22.3% interest in the TAPS, and ARCO's crude oil shipping fleet which includes six tankers in service and three under construction. The reserves being sold total 1.9 billion barrels of oil equivalent. The Alaskan government has accepted that the sale to Phillips of all ARCO's Alaskan business satisfies the sale obligations of BP Amoco under the Alaskan Charter Agreement.

Also on March 15, 2000 it was announced that the FTC, the Western States, the State of Alaska, ARCO and BP Amoco had agreed to suspend the Court proceedings, pending discussions for a consent order.

On March 16, 2000 BP Amoco announced that it was at an advanced stage in discussions with the FTC on the combination and was hopeful of obtaining a consent order within a few weeks allowing the Company to close the combination. In addition, BP Amoco announced that, subject to completion of the combination, it had advised the board of Vastar Resources Inc. of the intention to make a tender offer for the minority stockholding of the company at \$71 per share. ARCO already owns some 82 percent of Vastar.

On March 23, 2000 BP Amoco and ARCO jointly agreed to extend the termination date of the Combination Agreement from March 31, 2000 to June 30, 2000.

On March 24, 2000 ExxonMobil Corporation (ExxonMobil) filed a Complaint in State Court, Los Angeles, seeking a preliminary injunction and other relief against BP Amoco, ARCO and Phillips to prevent the sale of ARCO's Alaskan business to Phillips referred to in this section above.

Completion of the combination remains subject to regulatory approvals and the satisfaction of other conditions.

ANNOUNCEMENT OF INTENDED CASH OFFER TO BUY BURMAH CASTROL PLC

On March 14, 2000 BP Amoco announced that it had agreed on the terms of a recommended cash offer to buy Burmah Castrol plc (Burmah Castrol) of the UK for approximately \$4.7 billion (L3 billion). The recommended cash offer of L16.75 for each Burmah Castrol share had been agreed by the boards of both companies. The offer is pre-conditional and it is intended that the formal offer document will be sent to Burmah Castrol's shareholders once the pre-conditions (regulatory clearances) have been satisfied or waived. The offer will be subject to terms to be set out in the formal Offer Document and such further terms as required to comply with the rules of the London Stock Exchange and the City Code.

BP AMOCO AND PETROCHINA JOINT VENTURE

On March 23, 2000 BP Amoco announced that it planned to form a natural gas marketing joint venture with PetroChina aimed at supplying the energy markets of eastern China. The project is part of a strategic alliance agreed in principle between BP Amoco and PetroChina which also includes a preliminary agreement to build a fuels marketing business in China's coastal provinces with the prospect of further expansion into other regions.

These agreements are subject to the execution of definitive agreements between the parties, and to all relevant government authorizations and approvals.

BP Amoco also announced that it intended to acquire approximately 20% of the shares currently being offered, up to a maximum purchase price of \$1 billion, by PetroChina as part of its Initial Public Offering.

PetroChina is based in Beijing, China and is engaged in a broad range of petroleum-related activities; it is one of the largest companies in China in terms of sales.

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EXPLORATION AND PRODUCTION

The activities of our Exploration and Production business include oil and natural gas exploration and field development and production -- the upstream activities -- as well as the management of crude oil and natural gas pipeline assets and the processing and marketing of natural gas and power -- midstream activities. We have Exploration and Production interests in 27 countries, with the main concentration in the USA and in the UK sector of the North Sea. Production during 1999 came from 18 countries. Our most significant midstream activities are the Trans Alaska Pipeline System (BP Amoco 50%), the Forties Pipeline System (BP Amoco 100%) and the Central Area Transmission System pipeline (BP Amoco 29.5%) in the UK sector of the North Sea, and the Atlantic LNG plant (BP Amoco 34%) in Trinidad.

<TABLE>

<CAPTION>

December 31,	Years ended	
-----	1999	1998
1997	-----	-----
-----	(\$ million)	
<S>	<C>	<C>
<C>		
Turnover (a).....	21,649	17,276
23,171		
Total replacement cost operating profit.....	7,194	3,231
7,385		
Total assets.....	46,649	47,808
46,024		
Capital expenditure and acquisitions.....	4,212	6,318
7,879		
Average BP Amoco oil realizations.....	16.7	12.1
	(\$ per barrel)	

18.3

feet)

(\$ per thousand cubic

Average BP Amoco US natural gas realizations.....

2.1

1.8

2.2

</TABLE>

- (a) Excludes BP Amoco's share of joint venture turnover of \$497 million in 1999, \$348 million in 1998, and \$112 million in 1997.

Our Exploration and Production strategy has two key elements. The first is to maximize the value realized from our existing assets and resource base. This includes the following actions:

- We actively manage existing producing assets to maintain and improve the net income and operating cash flow realized from our oil and natural gas production. In addition, we strive to reduce the cost and improve the efficiency of new investment projects. Significant savings have been achieved by developing closer relationships with partners, contractors and suppliers, and by agreeing with these parties common incentives to improve productivity. We also link internal compensation to operating and investment efficiency, as well as safety and environmental performance.
- We seek opportunities for profitable growth in both the upstream and midstream activities, within the context of the market environment and Group financial policies. This includes the use of decline management and enhanced recovery technologies to increase recoveries and temper the volume decline in mature fields. It also includes investing in midstream activities which are relatively unaffected by oil and natural gas price movements, and using our pipeline infrastructure and natural gas marketing expertise to secure additional revenue by transporting and processing volumes owned by other companies.
- We continually upgrade the quality of our asset portfolio by focusing investments in core areas and disposing of non-strategic assets. This can be achieved through asset swaps, purchases and sales. Examples of portfolio upgrading in 1999 include our \$1 billion sale of non-core Canadian oil properties in October, the sale of our Venezuelan assets announced in November and our \$400 million purchase of a majority of Repsol YPF's interest in our US-based Crescendo joint venture. In March 2000, we announced the divestment of Altura Energy Ltd (Altura), our US-based joint venture with Shell, for a total price of approximately \$3.6 billion (BP Amoco 64%). The transaction is expected to close during the second quarter of 2000 and it is estimated that profit after tax of approximately \$260 million will be recognized by BP Amoco in 2000.

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The second element of our Exploration and Production strategy is to renew the business and to provide growth for the future. We do this through exploration and selected business development activity, as described below:

- Our exploration programme focuses on areas which have been relatively unexplored for political or technical reasons, and where we believe substantial volumes of low cost, high value reserves remain to be found. Principal areas of activity include Angola, Australia, Azerbaijan, Brazil, Egypt, Trinidad and Tobago and the USA. Our Crazy Horse discovery in the Gulf of Mexico, USA, is one example of this exploration growth strategy. Finding this field involved drilling through 6,000 feet of water and more than 2,000 feet of salt to a record depth of 25,770 feet.

- Our business development activities focus on obtaining an interest in areas new to BP Amoco, and extending our interests into existing core areas. Our In Salah development is a new venture (BP Amoco 65%) in which BP Amoco and the Algerian state company, Sonatrach, intend to go ahead with a \$2.5-billion development of natural gas fields in the Sahara Desert. This development is expected to supply the fast growing markets of southern Europe with some 320 billion cubic feet (bcf) annually. First deliveries are expected to start in 2003.
- In a longstanding core area, the negotiation of new concession terms with the government of Egypt will enable continued investment of \$450 million in our Gulf of Suez concessions. The new terms will result in the development of 160 million barrels of oil equivalent. Redevelopment activity conducted in our portfolio of giant fields should be a significant source of future growth.

Following the merger we have been able to capitalize on cost reduction opportunities where we had parallel operations, and have drawn on the best practices and experience of two successful companies to optimize further our operations and investment programme. The merger has also provided a better geographic, oil/natural gas and upstream/midstream balance in our portfolio. With cost reductions achieved in 1999, we are well on our way toward meeting our cost reduction target of \$2.2 billion by 2001.

BP Amoco retains its 10% equity interest (20% voting interest) in the Russian integrated oil company A O Sidanco (Sidanco). Sidanco went into bankruptcy for most of 1999 and temporarily lost ownership of a major subsidiary as a result of a forced bankruptcy sale. As part of a broad-ranging agreement between the parties involved, this subsidiary will be returned to Sidanco's ownership in 2000 and arrangements were put in place which made it possible to take Sidanco out of bankruptcy in January 2000.

UPSTREAM ACTIVITIES

EXPLORATION

The Group explores for and produces oil and natural gas under a wide range of licensing, joint venture and other contractual agreements. We may do this alone or, more frequently, with partners. BP Amoco acts as operator for many of these ventures.

The Group's worldwide capital expenditure on exploration and appraisal in 1999 was \$604 million, a decrease of \$371 million or 38% compared with 1998, as we focused on high-graded opportunities following the merger of the BP and Amoco exploration portfolios. In 1999, we participated in 84 gross (24.9 net) exploration and appraisal wells in 17 countries. The principal areas of activity were Angola, Australia, Azerbaijan, Brazil, Egypt, and the USA.

In 1999, BP Amoco obtained upstream rights in several new tracts, which are expected to provide a foundation for continued exploration success. These include the following:

- In Angola, we acquired operatorship and a 26.67% interest in a production sharing agreement covering deepwater Block 31. This new block is adjacent and geologically similar to other acreage where BP Amoco and partners have discovered several large fields.
- In Australia we won our three preferred blocks (BP Amoco 16.7% to 20% and operator) in the Canning deepwater Gazettal round. Additionally we farmed into the WA-267-P licence (BP Amoco 12.5%).
- In Brazil we were awarded two offshore blocks in the deepwater Foz do Amazonas basin offshore Northern Brazil. BP Amoco is operator of both

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blocks with a 30% interest in the 15,000 square kilometre block BMFZA-1,
and 35% in the 25,000 square kilometre block BFZ-2.

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- In Egypt we obtained operating rights and 50% ownership interest in the 15,400 square kilometre West Mediterranean deepwater block.
- In the USA, in Alaska, BP Amoco and partners won 25 blocks in the National Petroleum Reserve-Alaska (NPR-A) at Lease Sale 991. A subsequent equity cross assignment with partners Chevron and Phillips resulted in BP Amoco holding 50% interest and operating rights in a total of 33 NPR-A blocks.

In addition, during 1999 we relinquished exploration interests in several countries as we continued a process of focusing and shaping our portfolio. The most significant of these was the exit from offshore Nigeria, but we also relinquished the Zambezi block, offshore Mozambique, our properties offshore southern Turkey, acreage in the Latvian Baltic Sea and our interests onshore north Somalia.

In 1999, we announced significant discoveries in Angola, Australia, Azerbaijan and the USA. In most cases, reserve bookings from these fields will depend on the results of ongoing technical and commercial evaluations, including appraisal drilling. These discoveries included the following:

- In Angola, we were involved in eight discoveries. Plutonio and Platina in Block 18 (BP Amoco 50% and operator), Orquidea, Cravoa, Camelia and Tulipa in Block 17 (BP Amoco 16.7%), and Chocalho and Xikomba in Block 15 (BP Amoco 26.7%).
- In Australia, we participated in the significant Geryon and Orthrus natural gas discoveries (licence WA-267-P, BP Amoco 12.5%) which lie approximately 200 kilometres west of our LNG facilities. A further four wells remain to be drilled over the next two years.
- In Azerbaijan we announced a significant gas condensate discovery, Shah Deniz (BP Amoco 25.5% and operator). Gas from this discovery should provide the basis to initiate gas exports from Azerbaijan to Turkey.
- In the deepwater US Gulf of Mexico, we announced four discoveries, Crazy Horse (BP Amoco 75% and operator), Mad Dog (BP Amoco 63% and operator), Holstein (BP Amoco 50% and operator) and Atlantis (BP Amoco 56% and operator). The Crazy Horse discovery is estimated to be the largest discovery made to date in the deepwater Gulf of Mexico.

In 1999, total additions to the Group's proved reserves (excluding purchases and sales) amounted to 1,172 million barrels of oil equivalent (mmboe): 829 mmboe through extensions to existing fields and discoveries of new fields, and the remaining 343 mmboe through revisions to previous estimates and the application of improved recovery techniques. The principal reserve additions were in Egypt, Trinidad and US Gulf of Mexico as follows:

- In Egypt we added 90 million barrels (mmb) of oil reserves following the successful amendment to the concession terms for our Gulf of Suez producing properties. In addition we added 250 bcf of natural gas reserves from our Nile Delta gas discoveries following completion of gas sales agreements.
- In Trinidad and Tobago, we added through discoveries and extensions, 2.9 trillion cubic feet of natural gas, principally from the Sparrow field (BP Amoco 100% and operator).
- In the deepwater Gulf of Mexico we added 150 mmboe as we approved development of a number of fields including Crosby, King and Mica.

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RESERVES AND PRODUCTION

We annually review our total reserves of crude oil, condensate, natural gas liquids and natural gas to take account of production, field reassessments, the application of improved recovery techniques, the addition of new reserves from discoveries and economic factors. We also conduct selective periodic reserve reviews for individual fields.

Details of our net proved reserves of crude oil, condensate, natural gas liquids and natural gas at December 31, 1999, 1998, and 1997 and production for each of the three years then ended are set out in the Supplementary Oil and Gas Information in Item 19 -- Financial Statements and Exhibits.

On an oil equivalent basis, natural gas represents some 47% of the Group's hydrocarbon reserves (excluding equity-accounted entities).

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Our total hydrocarbon production (including equity-accounted entities) during 1999 averaged 3,107,000 barrels of oil equivalent per day (boe/d), an increase of 57,000 boe/d, or 1.9% compared with 1998 as production declines in mature fields were more than offset by production start-ups and build-ups to full production. About 38% of our production was in the USA and 26% in the UK.

The following tables show BP Amoco's production by major field (asterisks denote fields operated by BP Amoco) for the three years 1997 to 1999, and BP Amoco's aggregate estimated net proved reserves as at December 31, 1999:

CRUDE OIL (a)

PRODUCTION

<TABLE>

<CAPTION>

Net

production

1997	Field or Area	Interest	1999	1998
		(%)	(thousand barrels	
per day)				
<S>	<C>	<C>	<C>	<C>
<C>				
Alaska (b)	Prudhoe Bay*	51.2/13.8(c)	202	232
266	Kuparuk	39.2	90	92
90	Milne Point*	91.2	42	43
40	Point McIntyre	32.2	25	36
44	Endicott*	67.9	25	30
36	Other	Various	21	21
22				
Total Alaska			405	454
498				
Lower 48 onshore	Altura	Various	127	122
146				

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Other Various

133 140

139

Total Lower 48 onshore

260 262

285

Gulf of Mexico (b)

Mars

28.5

36 29

22

Troika

33.3

30 15

1

Pompano*

75.0

29 34

29

Other

Various

44 39

33

Total Gulf of Mexico

139 117

85

TOTAL USA

804 833

868

UK offshore (b)

ETAP

Various

80 30

--

Forties*

95.4

66 76

75

Harding*

70.0

58 60

50

Foinaven*

72.0

56 51

3

Magnus*

85.0

48 61

59

Andrew*

62.8

43 43

37

Schiehallion/Loyal*

Various

36 8

--

Miller*

40.0

30 31

43

Other

Various

123 110

124

Total UK offshore

540 470

391

Onshore

wytch Farm*

50.5

40 48

45

Other

Various

-- --

1

TOTAL UK

580 518

437

Rest of Europe

Norway (b)

Various

Various

98 103

113

Netherlands

Various

Various

2 2

2

TOTAL REST OF EUROPE
115

100 105

</TABLE>

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<TABLE>
<CAPTION>

Net

production

1997	Field or Area	Interest	1999	1998
		(%)	(thousand barrels	
			per day)	
<S>	<C>	<C>	<C>	<C>
<C>				
Rest of World				
Egypt	October	30.4	35	30
38	Other	Various	95	75
66	Cusiana/Cupiagua*	19.0	66	54
Colombia	Various	Various	56	68
33	Various	100	49	47
Canada (b)	Azeri-Chirag-Gunashli*	34.1	32	16
61	Various	Various	30	31
Trinidad	Various	16.7	23	30
48	Various	Various	21	34
Azerbaijan				
--				
Venezuela				
21				
Australia				
28				
Other (b)				
43				

TOTAL REST OF WORLD
338

407 385

TOTAL GROUP
1,758

1,891 1,841

Equity-accounted entities

Abu Dhabi (d)	Various	Various	113	124
118				
Argentina	Various	Various	41	45
48				
Other	Various	Various	16	39
6				

170 208

2,061 2,049

</TABLE>

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
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Category 85	Value 85
Category 86	Value 86
Category 87	Value 87
Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

ESTIMATED NET PROVED RESERVES (a)

December 31, 1999

SUBSIDIARY UNDERTAKINGS		UK	Rest of Europe	USA	Rest of world
Total					
	(millions of barrels)				
<S>	<C>	<C>	<C>	<C>	<C>
Developed..... 4,828	1,158	190	2,930	550	
Undeveloped..... 1,707	183	95	932	497	
	1,341	285	3,862	1,047	
6,535					

EQUITY-ACCOUNTED ENTITIES
1.037

TOTAL GROUP AND BP AMOCO SHARE OF EQUITY-ACCOUNTED ENTITIES	7,572
---	-------

</TABLE>

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<PAGE>
NATURAL GAS (a)(e)
PRODUCTION

TABLE	CAPTION
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84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

production

Net

1997	Field or Area	Interest	1999	1998
-----	-----	-----	-----	-----
feet per day)		(%)	(million cubic	

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<S> <C>	<C>	<C>	<C>	<C>
Lower 48 onshore (b)	San Juan Coal*	Various	427	408
383	Tuscaloosa	Various	175	156
126	Hugoton*	Various	162	170
242	Altura	Various	118	143
108	Arkoma	Various	111	129
142	Wamsutter*	70.5	92	87
84	Moxa Arch*	41.0	77	110
69	Anschutz Ranch East*	Various	67	26
80	Jonah*	79.1	57	27
5	Whitney Canyon	Various	52	53
53	Other	Various	356	434
657				
-----			-----	-----
Total Lower 48 onshore			1,694	1,743
1,949				
Alaska	Various	Various	10	10
12				
Gulf of Mexico (b)	Ram Powell (VK 912)	31.0	72	50
3	Matagorda Island 623*	44.0	99	97
70	Other	Various	400	421
415				
-----			-----	-----
TOTAL USA			2,275	2,321
2,449				
-----			-----	-----
UK offshore (b)	Bruce*	37.0	175	182
202	West Sole*	100.0	97	102
99	Ravenspurn South*	100.0	87	103
132	Armada	18.2	77	74
14	Braes	Various	76	69
76	East Leman*	48.4	42	71
49	Amethyst*	45.4	42	57
64	Other	Various	699	594
781	Various	Various	6	6
Onshore				
6				
-----			-----	-----
TOTAL UK			1,301	1,258

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1,423

-----			-----	-----
Netherlands	P/18-2*	48.7	63	73
42				
	Other	Various	48	68
84				
Norway	Various	Various	53	59
69				
-----			-----	-----
TOTAL REST OF EUROPE			164	200
195				
-----			-----	-----
Canada (b)	Kirby*	71.9	132	139
85				
	Leismer*	54.2	64	49
45				
	Marten Hills*	96.0	56	56
53				
	Ricinus*	70.0	54	59
66				
	Brazeau River Gas*	70.0	41	52
44				
	Other	Various	342	412
471				
Trinidad	Mahogany*	100	367	14
--				
	Immortelle*	100	207	125
105				
	Flamboyant*	100	92	187
121				
	Other	100	115	113
104				
Australia	Various	16.7	215	211
202				
Sharjah	Sajaa*	40.0	168	157
134				
	Other	Various	38	62
97				
Indonesia	Pagerungan	40.0	103	108
129				
Other (b)	Various	Various	69	64
22				
-----			-----	-----
TOTAL REST OF WORLD			2,063	1,808
1,678				
-----			-----	-----
TOTAL GROUP			5,803	5,587
5,745				
=====			=====	=====

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<CAPTION>

			Net	
production				

1997	Field or Area	Interest	1999	1998
-----	-----	-----	-----	-----
		(%)	(million cubic	
feet per day)				
<S>	<C>	<C>	<C>	<C>
<C>				
Equity-accounted entities				
Argentina	Various	Various	145	128
19				
Other	Various	Various	119	93
94				
			-----	-----
TOTAL EQUITY-ACCOUNTED ENTITIES			264	221
113			-----	-----
TOTAL GROUP AND BP AMOCO SHARE OF EQUITY-ACCOUNTED ENTITIES			6,067	5,808
5,858			-----	-----

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<CAPTION>

	December 31, 1999			
ESTIMATED NET PROVED RESERVES (A)				
SUBSIDIARY UNDERTAKINGS	UK	Rest of Europe	USA	Rest of world
Total				
				(billions of cubic feet)
<S>	<C>	<C>	<C>	<C>
<C>				
Developed.....	3,354	282	10,439	6,423
20,498				
Undeveloped.....	919	63	1,552	10,770
13,304				
	4,273	345	11,991	17,193
33,802				
EQUITY-ACCOUNTED ENTITIES				
1,724				
TOTAL GROUP AND BP AMOCO SHARE OF EQUITY-ACCOUNTED ENTITIES				
35,526				

=====
</TABLE>

(a) Net proved reserves of crude oil and natural gas, stated as of December 31, 1999, exclude production royalties due to others, and include minority interests in consolidated operations.

(b) In 1999, BP Amoco sold certain interests in Canada and Venezuela. At the end of the year we purchased a significant part of Repsol YPF's share of the assets of the dissolved Crescendo Resources partnership, a major natural gas producer and processor in Texas and Oklahoma.

In 1998, BP Amoco sold its interests in Papua New Guinea, and certain interests in the USA and the UK sector of the North Sea were sold, purchased or swapped.

In 1997 BP Amoco sold, purchased or swapped a number of interests in the North Sea. These transactions increased our interest in a number of fields, including Ula, Gyda and Draugen in Norway and Amethyst and Ravenspurn North in the UK sector of the Southern North Sea. We also sold certain assets in the USA. Late in 1997, BP Amoco purchased a 10% interest in A O Sidanco, a Russian oil company, for which reserves are included within associated undertakings in 1999 and 1998.

(c) BP Amoco has a 51.2% interest in the oil rim and a 13.8% interest in the gas cap.

(d) The BP Amoco Group holds proportionate interests, through associated undertakings, in onshore and offshore concessions in Abu Dhabi expiring in 2014 and 2018, respectively.

(e) Natural gas production volumes exclude gas consumed in operations.

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UNITED STATES

We are the largest producer of both oil and natural gas in the USA. Our 1999 US oil production averaged 804,000 barrels per day (b/d). This was a decline of 3% from 1998. Approximately 50% of our 1999 oil production came from Alaska, 32% from onshore Lower 48 states, and the remainder from the Gulf of Mexico. Our 1999 US natural gas production averaged 2,275 million cubic feet per day (mmcf/d), with an additional 94 mmcf/d from the equity-accounted entity, Crescendo Resources LP. This was down 1% from 1998. Our current principal producing fields in Alaska are in production decline. Several developments are either planned or under construction to temper this decline and enable Alaska to remain a major producing area for the foreseeable future. Elsewhere in the USA, we expect increases in production in the Gulf of Mexico to more than offset the decline onshore.

Development expenditure in the USA (excluding pipelines) during 1999 was \$1,212 million, compared with \$1,670 million in 1998.

In Alaska, our production of crude oil declined from 454,000 b/d in 1998 to 405,000 b/d in 1999. Natural gas production remained at 10 mmcf/d, the same level as in 1998.

The current status of activity in Alaska is as follows:

- Development is ongoing to temper the production decline at Prudhoe Bay, the largest producing field in Alaska. The decline is projected to moderate in 2000 due to a number of near-term projects. These include the Miscible Injectant Expansion project which is projected to add 18,000 b/d (gross) of incremental production. Further, we are continuing the infill drilling programme, a mixture of new wells, rig side-tracks and coiled tubing drilled side-tracks, which is expected to add 22,000 b/d (gross) of incremental production. Additionally, we are increasing our spending on satellite field developments around Prudhoe Bay.
- In line with BP Amoco's commitment to grow the natural gas business, recent actions taken in Alaska include the formation of a new business unit to investigate all options to commercialize Alaskan gas. These options include export by pipeline, LNG and Gas-to-Liquids (GTL) technology. BP Amoco has committed to build a GTL test facility in Alaska.
- The Badami oil field (BP Amoco 70% and operator) came on stream in the third quarter of 1998. In February 1999, we temporarily suspended production in order to perform well work and analyze additional reservoir data. The field was restarted in early May and has continued in production at around 3,000 b/d gross compared with an expected rate of around 35,000 b/d. The Badami partners are reviewing options for further development in the Badami Unit and the surrounding area. To reflect these factors, we have provided \$100 million against the carrying value of the property.
- The first phase of development of the Northstar field (BP Amoco 98% and operator) began in 1998 with module construction in Alaska. All major construction permits were received in 1999. We are currently building the gravel island where field facilities will be located, installing pipelines, and continuing module construction for the Summer 2000 and 2001 sealifts. We expect production to commence in late 2001 with a plateau rate of 52,000 b/d net.

Onshore in the Lower 48 states, BP Amoco's production of crude oil, condensate, NGL and natural gas averaged 569,000 boe/d, including 17,000 boe/d from equity-accounted entities, down from 577,000 boe/d in 1998. Production comes from a large number of fields situated principally in the states of Colorado, Kansas, Louisiana, New Mexico, Oklahoma, Texas and Wyoming.

In March 2000, BP Amoco and Shell Exploration and Production Company (Shell) announced the sale of their interests in Altura Energy Ltd (Altura), a US onshore oil-producing joint venture. Altura is a joint venture between BP Amoco (approximately 64%) and Shell (approximately 36%). Altura's 1999 production of approximately 150,000 boe b/d gross came from over 6,000 (owned or operated) producing wells in large secondary/tertiary recovery projects.

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Our production in the Lower 48 states is predominantly natural gas. Major areas of activity include the following:

- Overthrust Belt, Moxa Arch and Wamsutter -- southern Wyoming
- San Juan Basin coal and conventional gas fields-- Colorado and New Mexico
- Hugoton and Panoma fields -- western Kansas
- Anadarko Basin - Oklahoma and Texas panhandles
- Arkoma Basin -- eastern Oklahoma

-- Cotton Valley trend -- east Texas

-- Tuscaloosa trend -- Louisiana.

Through divestments and property exchanges, we have focused our onshore producing activities in areas where we are a leading producer.

-- Effective December 31, 1999 BP Amoco and Repsol YPF dissolved Crescendo Resources LP, a jointly owned production, gathering and processing partnership, with BP Amoco acquiring a majority of Repsol YPF's interest in the assets. The purchase is consistent with BP Amoco's strategy to grow its leadership position in core North American natural gas assets and has strengthened our position in the Anadarko basin by increasing our natural gas production by around 90 mmcf/d.

-- We divested ownership interests in three non-core enhanced recovery oil production assets during the second half of 1999: Beaver Creek (Wyoming) in August and Bairoil (Wyoming) and Rangely (Colorado) in November. The combined 1999 net production for the three properties was 11,500 boe/d.

In the Gulf of Mexico, combined offshore oil and natural gas production increased from some 215,000 boe/d net in 1998 to 237,000 boe/d in 1999. Significant 1999 development activity in the Gulf of Mexico included the following:

-- In the Mars field (BP Amoco 28.5%) we brought three new wells online. Production increased to 167,000 boe/d gross with facility debottlenecking and a peak production of 182,000 boe/d gross was reached in November, 1999. Facility expansion work continued to allow the subsea tieback of the Europa field in early 2000.

-- In the Troika field (BP Amoco 33.3% and operator) production from the fifth well commenced in March 1999. Total production for all of the wells in 1999 averaged 132,000 boe/d gross as compared with 77,000 boe/d gross during 1998. The peak daily production rate for the year was 155,000 boe/d gross.

-- Initial development of the Ram Powell field (BP Amoco 31%) was completed in 1999. Production averaged nearly 97,000 boe/d gross in 1999.

-- The Ursa oil and natural gas field (BP Amoco 22.7%) commenced production in March 1999 from the largest tension-leg platform installed in the Gulf of Mexico. Two wells were completed, with the Ursa A-7 well producing at a rate in excess of 50,000 boe/d. Drilling and completion continues toward a peak production rate of some 200,000 boe/d gross in 2001.

-- Development of the Hoover/Diana oil and natural gas fields (BP Amoco 33.3%) continued in 1999. This simultaneous development of two fields, with combined resources of 300 mmboe gross, represents BP Amoco's deepest water project to date. All facilities are on location and in the commissioning phase. Three wells have been completed with five additional wells scheduled for 2000. First production is targeted for mid-2000.

-- Production from our Marlin development (BP Amoco 86% and operator) has been delayed owing to a well design problem which is being investigated.

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<PAGE>
UNITED KINGDOM

We are the largest producer of both oil and natural gas in the UK. Our 1999 UK oil production of 580,000 b/d was 62,000 b/d higher than in 1998, as the increase in production from more recently developed fields more than offset declines in mature fields. Our UK natural gas production increased 3% from 1,258

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mmcf/d in 1998 to 1,301 mmcf/d in 1999. Increased production from the Eastern Trough Area Project (ETAP) more than offset the decline at older UK offshore fields.

Our 1999 development expenditure in the UK (excluding pipelines) was \$676 million, compared with \$1,432 million in 1998. Significant 1999 activity included the following:

- Production from the first phase of the Foinaven field (BP Amoco 72% and operator), built up to its plateau level of 85,000 b/d gross. Located in waters 500 metres deep, Foinaven was the first producing oil field in the deep water Atlantic Margin, west of the Shetland Islands. Oil flows from the well through flexible flow lines to a floating production storage and offshore loading vessel (FPSO) and is then carried by dedicated shuttle tanker to the Flotta oil terminal, Orkney.
- Schiehallion (BP Amoco 33.4% and operator) and Loyal (BP Amoco 50% and operator), which together comprise our second west of Shetland development, commenced production in the third quarter of 1998. Several new production records for the fields were set in 1999 and maximum daily production was in excess of 170,000 b/d gross. Average daily production for 1999 was 95,000 b/d gross. Production in 2000 is expected to increase to around 130,000 b/d.
- ETAP production continued to build-up throughout 1999, with plateau production levels of 265,000 boe/d gross (135,000 boe/d net) achieved in the fourth quarter. The development comprises seven initial fields -- Marnock, Machar, Mungo and Monan (BP Amoco operated) and Heron, Egret and Skua (Shell operated). We have no equity interest in the Shell-operated fields. This integrated development project includes central processing facilities over the Marnock field, a normally unmanned facility over the Mungo field and subsea facilities for the other fields linked back to the central facilities.
- We established first production in late 1998 from the Phase 2 expansion of the Bruce field (BP Amoco 37% and operator). This expansion involves subsea development of the western area of the field, linked by a bundled pipeline to a new steel platform. During 1999 development of the Bruce field included completion of five platform/subsea wells and progress towards commissioning Booster Compression on the Bruce platform in 2000. Net production for 1999 was 51,000 boe/d compared with 42,000 boe/d in 1998.
- In November 1999, we completed the sale of our interests in the non-operated Scott (BP Amoco 13.496%), and Telford Fields (BP Amoco 20.16%), and block 15/22 (BP Amoco 26%) which lie in the outer Moray Firth of the North Sea. Average production for the fields during 1999 was approximately 18,000 boe/d.
- In 1999, the Harding field (BP Amoco 70%) continued to produce at plateau production rates. The first well into the south east reservoir was brought on stream during the second quarter of 1999 and produced steadily at 7,500 b/d gross. During the third quarter the production facilities were successfully de-bottlenecked and in November a record production rate of 100,000 b/d gross was achieved.

REST OF EUROPE

Our oil production in Norway decreased from 103,000 b/d in 1998 to 98,000 b/d in 1999 as a result of natural field decline. Net production was 38,000 b/d from Draugen (BP Amoco 18.4%), 24,000 b/d from Valhall (BP Amoco 28.1% and operator), 19,000 b/d from Ula (BP Amoco 80% and operator) and 17,000 b/d from Gyda (BP Amoco 56% and operator).

In the Netherlands, our net production decreased to 111 mmcf/d from 141 mmcf/d in 1998. BP Amoco is supplementing its long-standing production operations with the expansion of its Peak Gas Installation, a natural gas storage facility. This expansion, which became operational in 1999, increases the capacity of 850 mmcf/d by 50% to 1,270 mmcf/d with the potential for further capacity increase.

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REST OF WORLD

The Group's net share of oil production from the Rest of World increased from 385,000 b/d in 1998 to 407,000 b/d in 1999. This excluded 170,000 b/d from associated undertakings in 1999, of which 113,000 b/d came from Abu Dhabi, where we have equity interests of 9.5% and 14.7% in onshore and offshore concessions expiring in 2014 and 2018, respectively. Other areas of oil production in 1999 were Australia, Argentina, Azerbaijan, Bolivia, Canada, China, Colombia, Egypt, Indonesia, Russia, Sharjah, Trinidad and Venezuela.

Our share of natural gas production from the Rest of World increased 14% from 1998, averaging 2,063 mmcf/d in 1999. In addition, in 1999 production from associated undertakings amounted to 170 mmcf/d. The largest part of the 1999 production came from Trinidad and Tobago, with the remainder from Argentina, Australia, Bolivia, Canada, Colombia, Egypt, Indonesia and Sharjah.

Development expenditure in the Rest of world (excluding pipelines) amounted to \$956 million in 1999, compared with \$1,569 million in 1998. In 1999, this expenditure was primarily in Canada, Colombia, Trinidad and Venezuela:

- -- In Canada, we divested our heavy and conventional oil properties for approximately \$1.1 billion in October 1999. The sale represents approximately 60,000 boe/d net of oil equivalent production. The divested assets included substantial heavy oil operations in the Primrose, Wolf Lake and Wabasca areas near Edmonton, Alberta. Also in Canada we sold our significant 2-D and 3-D seismic data base to a seismic broker, retaining the right to access this data on favourable terms. The divestment of our marginal heavy oil business will enable us to give greater focus on our core natural gas business.
- -- In Colombia, production of the Cusiana/Cupiagua development (BP Amoco 19% and operator) has reached a plateau of approximately 69,000 b/d net. The Cusiana field is now in decline and the Cupiagua field is expected to reach its peak production in 2000. Colombia has now identified some well-defined projects with the aim of sustaining production; some of these projects are extensions in the Cusiana/Cupiagua area and some others are in the Recetor and Piedemonte licences.
- -- We have been engaged in exploration and production activities in Trinidad and Tobago since 1961. We hold a 100% interest in 121 tax and royalty licences and a partial interest in a production sharing contract on a recently acquired licence. Our Trinidad operations are in a transition from primarily oil to a balance of oil and natural gas activities, and we hold domestic sales contracts for up to 700 mmcf/d in Trinidad and Tobago. We are the sole supplier of the initial natural gas requirement of the liquefied natural gas plant belonging to the Atlantic LNG Company of Trinidad and Tobago, in which we hold a 34% interest (see Midstream discussion below).

Drilling activity continued in the Mahogany field to develop oil and natural gas. Our total hydrocarbon production during 1999 averaged 183,000 boe/d net, an increase of 66,000 boe/d from 1998. In 1999, crude and condensate production increased by 4% to 48,900 b/d net, and natural gas sales increased by 85% to 779 mmcf/d net, a result of increased local gas

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demand and start up of the Atlantic LNG plant operation.

The installation of the Amherstia platform commenced in late 1999 and is planned to come on stream in 2000 to feed additional domestic gas sales within Trinidad and Tobago.

-- In Venezuela, we announced the disposal of our 100% interest in the Pedernales reactivation licence in November 1999, subject to PDVSA approval. BP Amoco retains an interest in other production reactivation and exploration blocks. The most prolific of the reactivation blocks is Jusepin (BP Amoco 45%), currently producing 30,000 b/d gross. Secondary recovery projects are underway in the Jusepin field with the aim of maintaining and expanding production levels. Retained exploration blocks also include Punta Pescador (BP Amoco 50%) and Guarapiche (BP Amoco 75%).

The Azeri-Chirag-Gunashli (ACG) early oil project in the Caspian Sea, offshore Azerbaijan (BP Amoco 34.1%) achieved plateau production in 1999 of in excess of 100,000 b/d gross. In April 1999, the Western Export Route Pipeline through Georgia was commissioned and oil is currently being exported from ACG through two pipelines (the second pipeline being through Russia). In June 1999, BP Amoco was appointed operator of the Azerbaijan International Operating Company (AIOC) responsible for operation and development of the ACG complex. Several additional phases of development are planned.

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In Egypt, our operations are carried out by the Gulf of Suez Petroleum Company (Gupco), a joint operating company with the Egyptian General Petroleum Company. Gupco operates seven production sharing contracts in the Gulf of Suez and Western Desert, encompassing more than 40 fields. During 1999, Gupco produced almost 290,000 b/d (130,000 b/d net), about 37 percent of Egypt's oil production, as well as 78 mmcf/d (35 mmcf/d net) of natural gas. In early 1999, BP Amoco finalized an agreement with the Egyptian Government which will help maintain investment in the country's mature Gulf of Suez oil fields. Under this agreement, BP Amoco will invest \$450 million by 2005 to develop new reserves, maintain production, and prolong the life of the fields. Over \$50 million of this spending had been completed by year end 1999, and another \$120 million will be spent in 2000.

BP Amoco entered the Nile Delta in the early 1990's, in a variety of partnerships with AGIP, Egyptian General Petroleum Corporation and others. The Ha'py field was brought on stream in early 2000 and the Baltim and Tensah natural gas fields are expected to start-up in late 2000 or early 2001. Collectively, we have agreements in place to supply 250 mmcf/d to the domestic Egyptian market from these and other Nile Delta fields. We continue to actively pursue natural gas export opportunities in the Eastern Mediterranean and we have the public support of the Government of Egypt.

Through our equity-accounted investments in Empresa Petrolera Chaco S.A. (Chaco) (BP Amoco 30%) and Pan American Energy (PAE) (BP Amoco 60%), we are the second largest energy producer in the Southern Cone of South America. In 1999, these entities produced 45,000 b/d of oil and 170 mmcf/d of natural gas (net to BP Amoco) in Argentina and Bolivia. Chaco and PAE also have significant interests in natural gas liquids plants, oil and gas pipelines, electricity generation plants, and other midstream infrastructure.

Pan American Energy's regional midstream and downstream natural gas position was enhanced during the year through the ratification of the Cruz del Sur gas pipeline concession (BP Amoco 18%). This pipeline will transport natural gas from Buenos Aires to Montevideo and is the first part of a integrated pipeline system which is ultimately intended to serve the major gas markets in southeast Brazil.

MIDSTREAM ACTIVITIES

OIL AND NATURAL GAS TRANSPORTATION

The Group has direct or indirect interests in certain crude oil transportation systems, the principal of which are the Trans Alaska Pipeline System in the USA and the Forties Pipelines System in the UK sector of the North Sea. We also operate and have an interest in the Central Area Transmission System for natural gas in the UK sector of the North Sea. Our onshore US crude and product pipelines and related transportation assets are included under Refining and Marketing.

The Trans Alaska Pipeline System (TAPS) consists of a 48-inch diameter crude oil pipeline running approximately 1,300 kilometres from Prudhoe Bay to a tank farm and marine terminal at the ice-free port of Valdez on Alaska's southern coast. Alyeska Pipeline Service Company operates the pipeline and terminal at Valdez. BP Amoco owns a 50% interest in TAPS, with the balance owned by six other companies. Each of the TAPS participants uses its undivided interest in TAPS as a common carrier, separately publishing tariffs and receiving tenders for shipments through its share in the capacity of TAPS, and paying its respective share of operating costs. At peak throughput, the TAPS system carried around 2 mmb/d. In 1999, TAPS transported production from Prudhoe Bay and the other North Slope fields averaging 1.08 mmb/d.

For a description of the procedures relating to the tariffs to be charged to users of TAPS and a general description of pipeline regulation, see Regulation of the Group's Business -- United States.

There are a number of unresolved protests with regard to the yearly tariffs which are filed and which set out the charges for shipping oil through TAPS. These items are in the process of resolution at the Federal Energy Regulatory Commission (FERC) and the Regulatory Commission of Alaska.

The use of US-built and US-flagged ships is required when transporting Alaskan oil to markets in the USA and abroad. In accordance with this, BP America Inc. has a chartered fleet of US-flagged tankers to transport Alaskan crude oil to markets. In 1999, the Alaska Tanker Company (ATC) was formed to be the single operator for this fleet. Over the next few years, we plan to begin replacing our US-flagged fleet as existing ships are retired in accordance with the Oil Pollution Act of 1990. For discussion of the Oil Pollution Act of 1990, see Regulation of the Group's Business -- Environmental Protection. For a discussion of the proceedings arising from the Exxon Valdez oil spill, see Item 3 -- Legal Proceedings.

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The Forties Pipeline System in the UK (BP Amoco 100%) is an integrated oil and natural gas liquids transportation and processing system which handles production from over 20 fields in the central North Sea. The system was upgraded in 1993 and has a capacity of more than 1 mmb/d. During 1999, average throughput was approximately 943,000 b/d, compared with 880,000 b/d in 1998, and transported its five billionth barrel. A Marine Vapour Recovery project was completed in 1999 and this will lead to a substantial reduction in Volatile Organic Compound emissions.

BP Amoco operates and has a 29.5% interest in the Central Area Transmission System (CATS), a 400-kilometre natural gas pipeline system in the central UK sector of the North Sea. The pipeline has a transportation capacity of 1.7 billion cubic feet per day (bcf/d). It carries both proprietary and other companies' gas volumes to a natural gas terminal at Teesside, North East England. CATS offers its customers the choice of gas transportation services or transportation and processing via two 600 mmcf/d processing trains with the capability to deliver NGLs for export or for local industry with gas entering

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the UK National Transportation System. In 1999 CATS handled throughput of 1.2 bcf/d with volumes at the end of the year reaching 1.7 bcf/d.

BP Amoco, as AIOC operator, manages and has 34.1% interest in the Western Export Route Pipeline between Sangachal, which is near Baku in Azerbaijan, and Supsa on the Black Sea coast of Georgia. AIOC also operates the Azeri leg of the Northern Export Route Pipeline between Sangachal and Novorossiysk in Russia. The combined capacity of the pipelines is in excess of 200,000 b/d. Negotiations with transit countries for the development of an additional export pipeline with a capacity of 1 mmb/d from Sangachal to Ceyhan on the Turkish Mediterranean coast were progressed. An Inter-governmental Agreement between Turkey, Georgia and Azerbaijan to support this pipeline was signed on November 18, 1999.

LIQUEFIED NATURAL GAS

In Trinidad and Tobago, we have a 34% interest in the Atlantic LNG plant and are the sole supplier of natural gas to the first train of the plant. An export contract of some 440 mmcf/d was established in 1999 for deliveries to the New England region of the USA and Spain from the first train of the plant. Gas sales commenced in February 1999 and averaged 246 mmcf/d per day for the year. Subject to government and partner approval, the facilities are expected to be expanded by the addition of a second and a third train at the plant. It is anticipated that BP Amoco will supply the additional natural gas volumes to the expanded facilities.

We have a 10% equity shareholding in the Abu Dhabi Gas Liquefaction Company (ADGAS), which in 1999 supplied 5.2 million tonnes of LNG.

In Australia, our share of LNG from the North West Shelf natural gas development (BP Amoco 16.7%) remained in line with that of the previous year at 1.3 million tonnes (approximately equivalent to 180 mmcf/d of natural gas).

GAS AND POWER MARKETING AND TRADING

We are one of the largest producer-marketers of natural gas in North America. Our 1999 gas sales volumes averaged 5.4 bcf/d from the USA and Canada. This consisted of 3.4 bcf/d from BP Amoco producing operations (including royalty volumes we marketed under terms of our lease agreements), plus supplies we purchased from third parties. As a result of the deregulation of the US natural gas markets since the late 1980s, approximately 75% of our North American natural gas production is now sold pursuant to short term gas contracts which are renegotiated on a monthly, yearly or other short term basis, thereby allowing us flexibility in production and distribution. As the North American energy markets continue to evolve, we are enhancing our current positions in the upstream, midstream and downstream natural gas businesses.

We acquired all of the shares we did not own in Canada's second largest natural gas supply aggregator, ProGas. ProGas is based in Calgary, Alberta, and purchases gas from around 170 producers in the Western Canada Sedimentary Basin. It markets 1.45 bcf/d of gas a day across North America.

We also reached agreement with Nova Scotia Resources (Ventures) Limited to market, on behalf of the Provincial Crown Corporation, 45 mmcf/d of natural gas production flowing from the Sable Offshore Energy Project located offshore Nova Scotia. Under the agreement, we will focus on marketing the gas primarily in New England and the north-eastern states of the USA.

BP Amoco's policy toward natural gas price risk in the North American markets is described in Item 9A -- Quantitative and Qualitative Disclosures about Market Risk.

BP Gas, a UK natural gas marketing company, started trading in 1996. Its principal business is natural gas sales to industrial, commercial and power generation customers in the UK, as well as gas sales to continental Europe. In addition, we provide facilities and combined heat and power development and contract energy management services to industrial customers in the UK. The significance of long-term gas supply contracts with large customers such as Centrica, the prices of which are typically indexed against oil or electricity, has been declining as BP Gas takes advantage of increasingly liquid UK gas markets to make more short-term sales to commercial and industrial companies. The breakdown of gas sale arrangements in 1999 was as follows: 33% of production sold to Centrica, 24% pursuant to other long-term arrangements, and 43% in the commercial and industrial and spot markets. The main source of gas is BP Amoco's equity share of gas from UK North Sea fields. The Company disposed of its 50% interest in Beacon Gas Limited, a retail distributor of natural gas to domestic customers, during 1999, consistent with its focus on business-to-business marketing rather than retail distribution of natural gas in the UK.

Construction of a 400 megawatt capacity gas-fired power plant (BP Amoco 60%) at Great Yarmouth in the UK continued during 1999 and is due to be commissioned in 2001. The Company also received Government consent to construct a 500 megawatt combined cycle gas turbine power plant at the Baglan Energy Park in South Wales. Online services to natural gas customers were developed including an online gas trading service for non-fixed price customers.

In the Rest of Europe, we have a 25.5% interest in Ruhrgas, Germany's largest gas distribution company. In 1997 BP Amoco signed a 15-year agreement to supply 15 billion cubic metres of natural gas valued in excess of \$1 billion to Ruhrgas, commencing October 1, 1998. We supply this gas from our UK North Sea fields, delivered via the Interconnector, which is described below.

The Interconnector is a 240-kilometre, 40-inch subsea natural gas pipeline linking the UK national grid system at Bacton in Norfolk to the continental grid system at Zeebrugge in Belgium. Construction work began in late 1996, and first operation of the pipeline was in October 1998. We are one of ten international energy companies with shareholdings in the Interconnector, which has a shipping capacity of 1.9 bcf/d (BP Amoco 10%).

In Spain, where the market is being liberalized in common with other EU states, we were the first foreign company to secure a licence permitting us to market natural gas to industrial consumers.

During the last quarter of 1999 we made encouraging progress in the marketing of future reserves from Australia, Trinidad and the Caspian Sea.

Plans were announced in September 1999 to create a Gas and Power business to market our substantial upstream natural gas reserves and develop a leading gas and power marketing and trading business. The Gas and Power business stream will be reported as a business segment from January 1, 2000. The new stream will be responsible for our existing world-wide gas marketing and development activities, including gas-fired power generation.

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REFINING AND MARKETING

Our Refining and Marketing business is responsible for the supply and trading, refining, marketing and transportation of crude oil and petroleum products to wholesale and retail customers, and the wholesale marketing of NGL in the USA and Canada. BP Amoco markets its products in about 100 countries. It has operations in Europe, the USA and Australasia and in parts of South East Asia and Africa.

<TABLE>

<CAPTION>

December 31, -----	Years ended	
	1999	1998
1997 -----	-----	-----
		(\$ million)
<S>	<C>	<C>
<C>		
Turnover (a).....	62,893	48,437
67,704		
Total replacement cost operating profit.....	1,840	2,564
2,292		
Total assets.....	27,248	21,029
24,055		
Capital expenditure and acquisitions.....	1,634	1,937
1,824		
Indicative industry global refining margin (b).....	0.91	1.74
1.81		
</TABLE>		

(a) Excludes BP Amoco's share of joint venture turnover of \$17,117 million in 1999, \$15,080 million in 1998, and \$16,692 million in 1997.

(b) The indicative industry global refining margin is a weighted average of global margins for the whole refining industry and is calculated by BP Amoco. It reflects the margins generated by a standard cracking refinery, running similar quality crudes, to similar yields, located in each refining market. The weighting used reflects the presence of BP Amoco's refineries in these markets - principally those of the USA, Europe, Australasia, Southern Africa and Singapore.

Refining and Marketing aims to manage a portfolio of assets which are believed to be competitively advantaged across the chain of downstream activities. Such advantage may derive from several factors, including location, operating cost and physical asset quality.

The merger of BP and Amoco created a top-tier player in refining and marketing. We are one of the leading refiners and marketers of gasoline and hydrocarbon products in the USA, and a market-leader in premium gasoline. Overall we have a strong geographic position with the largest market share for retail sales east of the Rocky Mountains, including first or second position in some 20 states. We also have extensive retail and commercial businesses in the UK, the Rest of Europe, Australasia, Africa and South East Asia. Worldwide, BP Amoco continues to be a leading marketer of fuels, served by a global refining network with key refineries among the top performers in their regions.

The prevailing economic conditions have driven a considerable re-basing of business activities outside the USA not directly impacted by the merger. This activity has necessitated a reduction in employee numbers; within the Refining and Marketing business some 5,100 people, or 15% of the workforce, left during 1999. At the end of 1999 some 45,250 people were employed worldwide by the business.

As part of the Federal Trade Commission's approval process for the merger, BP Amoco undertook to complete the sale of nine terminals formerly owned by Amoco in the Southeast of the USA where there was an overlap with existing BP

terminals. In addition, in order to resolve anti-trust concerns relating to the sale of gasoline, BP and Amoco agreed to the divestiture of 134 service stations in six states where there were ownership overlaps. The divestitures were completed during 1999.

In the UK and the rest of Europe, during 1999, BP Amoco's refining and marketing operations in fuels and lubricants were operated as part of a joint venture (BP/Mobil joint venture) with ExxonMobil Corporation (ExxonMobil). Our international aviation, marine, oil trading and shipping activities are excluded from the joint venture. Under the terms of the joint venture, BP Amoco operates and has a 70% interest in the fuels refining and marketing operation, and ExxonMobil operates and has a 51% interest in the lubricants business.

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In December 1999, we agreed with ExxonMobil the principles under which the BP/Mobil European fuels and lubricants joint venture would be dissolved in response to the European Commission's authorization of the Exxon and Mobil merger. Under the agreement - which is subject to a number of approvals from national governments and appropriate employee consultation - BP Amoco will purchase Mobil's 30% interest in the fuels business for about \$1.5 billion, subject to adjustments. In addition, the two companies will divide the assets of the lubricants business broadly in line with their equity stakes (51% Mobil, 49% BP Amoco). In February 2000, the European Union's Merger Task Force gave its approval to the dissolution as proposed.

REFINING

In refining, our key objective is to operate an advantaged refining system more profitably than those of our competitors. Advantaged characteristics relate to supply - the refinery's position in relation to the market; clean fuels - how the refinery supports our clean fuels strategy; integration value - how the refinery adds value by virtue of integration with other parts of the Group's business. A consequence of this objective will be to reduce the ratio between our own refining supply and the volumes we market to between 60 and 70% from the level of around 90% existing in 1999. As a first step, the Alliance refinery in Louisiana, USA, has been offered for sale. There will continue to be focus on reducing operating costs and optimizing yields.

In addition to the Alliance refinery, BP Amoco owns and operates six refineries in the USA: Texas City, Texas; Whiting, Indiana; Toledo, Ohio; Mandan, North Dakota; Yorktown, Virginia; and Salt Lake City, Utah. BP Amoco's refinery at Lima, Ohio, was sold in mid-1998.

In Europe, as operator of the fuels business of the BP/Mobil joint venture, we operate seven fuels refineries on behalf of the joint venture. These are Bayernoil (Germany), Castellon (Spain), Coryton (UK), Grangemouth (UK), Lavera (France), Mersin (Turkey) and Nerefco (the Netherlands). Additionally, BP Amoco has an interest in the Reichstett refinery in France. All the refineries are wholly-owned by BP Amoco or Mobil, except for Bayernoil, Mersin, Nerefco and Reichstett where BP Amoco's and Mobil's combined interest is 55%, 69%, 69% and 17%, respectively.

Mobil's refinery at Gravenchon (France), which is primarily a lubricants refinery, and BP Amoco's two lubricants base oil refineries in France and Germany are operated by Mobil on behalf of the joint venture. BP Amoco's UK base oil refinery at Llandarcy was closed in 1998 as part of a major restructuring of the lubricants business.

In the rest of the world we operate three other principal refineries: at Brisbane and Kwinana in Australia and in Singapore. We also have interests in three other refineries: Mombassa in Kenya, Durban in South Africa and Whangarei in New Zealand.

The following tables set out by area the crude oil and other feedstocks processed in the years 1997 through 1999 by the BP Amoco Group for its own account and for third parties, and for the Group by other refiners under processing agreements, and the Group's refinery capacity utilization.

<TABLE>

<CAPTION>

Years ended

December 31,

REFINERY THROUGHPUTS
1997

1999 1998

(thousand barrels

per day)

<S>

<C>

<C>

<C>

United Kingdom (a).....

271

296

299

Rest of Europe (a).....

540

551

583

United States.....

1,340

1,489

1,600

Rest of world.....

371

362

373

2,522 2,698

2,855

For BP Amoco by others.....

19

13

12

Total.....

2,541

2,711

2,867

=====

=====

REFINERY CAPACITY UTILIZATION

Crude distillation capacity at December 31, (a) (b).....

2,801

2,815

2,937

Crude distillation capacity utilization (c).....

95%

94%

96%

</TABLE>

(a) Includes the BP Amoco share of the BP/Mobil joint venture.

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(b) The crude distillation capacity figures are based on gross rated capacity which assumes no loss of capacity due to shutdowns. The figures for 1998 reflect the disposal of the Lima refinery in mid-1998. The figures for 1997 reflect the impact of the BP/Mobil joint venture for those countries for which implementation was completed by the end of 1997. The implementation of the joint venture did not have a material impact on BP Amoco's overall crude distillation capacity in Europe.

(c) Crude distillation capacity utilization is defined as the percentage utilization of capacity per calendar day over the year after making

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In 1999, we operated our refineries in the USA at an average of 95% of net capacity (1998 and 1997, 95%), our European refineries at 94% (1998, 95% and 1997, 98%) and our refineries in the rest of the world at 96% (1998, 89% and 1997, 99%).

In 1999, we continued our programme of upgrading refinery capability. The Toledo Repositioning Project was completed in April with start up of the new units at the refinery. This project, which includes a new coker and sulphur unit, makes the Toledo Refinery a leading competitor in the United States market with the ability to utilize heavy sour crude for up to two-thirds of its feed input.

Also during 1999 we commenced a project to allow low sulphur fuels
 unction at our Brisbane refinery. Completion is scheduled for the end of
 . Additionally, over \$60 million was spent on projects during 1999 to
 ver cleaner fuels throughout our refining system.

Emissions of greenhouse gases (primarily carbon dioxide) were reduced by more than 3% compared with 1998, primarily through operational actions. Additional reductions are planned through continued energy efficiency improvements and participation in the internal BP Amoco trading programme.

ETING

We market a comprehensive range of refined oil products world-wide. These products include gasoline, gasoil, marine and aviation fuels, heating fuels, lubricants and bitumen.

The following table sets out refined product sales by area.

LE>
TION>

Number 31.

	Years ended
--	-------------

OF REFINED PRODUCTS (a)

S OF REFINED PRODUCTS (a)	1999	1998
---------------------------	------	------

day)

(thousand barrels)

<C> <C>

eting sales:

United Kingdom (b)(c).....
 rest of Europe (b).....
 United States.....
 rest of world.....

United Kingdom (b)(c).....	235	261
----------------------------	-----	-----

st of Europe (b).....

United Kingdom (b)(3).....	199	191
West of Europe (b).....	794	769

United States.....

United States.....	1.542	1.504
--------------------	-------	-------

st of world.....

st of world.....	615	603
------------------	-----	-----

marketing sales (d).....
ing/supply sales (d).....

marketing sales (d).....	3.186	3.137
--------------------------	-------	-------

ing/supply sales (d).....

ing/supply sales (d).....	1,816	1,665
---------------------------	-------	-------

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Total refined products.....	5,002	4,802
4,675	=====	=====
Proceeds from sale of refined products (b).....	44,248	(\$ million) 44,446
57,026		

- (a) Excludes sales to other BP Amoco businesses.
- (b) Includes the BP Amoco share of the BP/Mobil joint venture.
- (c) UK area includes the UK-based international activities of Refining and Marketing.
- (d) Marketing sales are sales to service stations, end-consumers, bulk buyers, jobbers and small resellers. Trading/supply sales are to large unbranded resellers and other oil companies.

The following table sets out marketing sales by major product group.

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<TABLE>
<CAPTION>

December 31,	Years ended	
MARKETING SALES BY PRODUCT 1997	1999	1998
per day)		
<S>	<C>	<C>
<C>		
Aviation fuel.....	366	292
271		
Gasolines.....	1,298	1,256
1,204		
Middle distillates.....	765	796
780		
Fuel oil.....	319	322
410		
Other products.....	438	471
418		
Total marketing sales	3,186	3,137
3,083	=====	=====

</TABLE>

In marketing our aim is to grow our customer base, not only in existing markets but also in new markets - more customers in a bigger geographic spread. We are focusing on how we can increase the amount our customers spend with us, whether they be retail customers spending more on items in convenience stores or

business customers spending more on value-added services and solutions.

Our objective is therefore to create a more capital-efficient, higher-return business. In addition we recognize that our customers are demanding a wider choice of fuels - fuels which are cleaner and more efficient.

In Retail, we envisage that there will be two distinct segments: fuels, which we intend to grow through franchises, dealers and jobbers; and a directly managed convenience store segment. We plan to expand our Retail business in a disciplined way through rigorous site selection for convenience or for fuels sales, and by concentrating direct convenience offers in our core metropolitan markets.

<TABLE>
<CAPTION>

	Years ended	
December 31,		

SHOP SALES (a)	1999	1998
1997	-----	-----

		(\$ million)
<S>	<C>	<C>
<C>		
UK.....	265	231
189		
Rest of Europe.....	569	513
468		
USA.....	542	543
438		
Rest of world.....	365	356
381	-----	-----

Total.....	1,741	1,643
1,476	=====	=====
=====		

</TABLE>

- (a) Shop sales reported are sales through direct managed stations, franchisees and the BP Amoco share of shop alliances and joint ventures. Sales figures exclude VAT and lottery sales but include quick service restaurant sales. The sales include the BP Amoco share of the relevant sales within the BP/Mobil joint venture.

Our retail network is concentrated in Europe and the USA, with established operations in Australasia and Southern Africa. Networks are being grown in China, Poland, Russia and Venezuela.

BP Amoco is continuing to improve the efficiency of its retail network by reducing operating costs and improving customer service, through a process of regularly reviewing the network. Actions taken include divesting the non-strategic sites or networks, upgrading existing sites and investing in new sites. An essential element of this strategy is the development of convenience stores and the provision of related services. Such facilities are often provided through alliances or other arrangements with partners. This strategy is applied to all our retail networks, including those operated as part of the BP/Mobil joint venture. At December 31, 1999, there were approximately 28,300 BP and Amoco branded service stations world-wide, including those associated with the BP/Mobil joint venture.

During 1999 we commenced implementation of two major environmental initiatives. In January 1999 we announced our 'Clean Cities' initiative to market cleaner fuels in 40 of the world's most polluted cities. During the year 15 launches of the initiative were undertaken in major cities around the globe including Paris, Atlanta, Chicago, and Istanbul. In April, we announced that around 200 of our service stations are to incorporate solar power - the largest single project of its kind ever undertaken. The first phase of the two-year programme is planned to consist of the installation of up to 400 solar panels on each canopy at service stations across eleven countries in a \$50-million, 3.5-megawatt project, saving around 3,500 tonnes of carbon dioxide emissions every year. As a result of this project, BP Amoco will become one of the world's largest users of solar power.

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At December 31, 1999 BP Amoco's retail network in the USA comprised some 16,300 service stations concentrated in the Midwest, East and Southeast. Developments in the USA during 1999 included:

- Divestment of the ProCare servicing and maintenance business was completed in September 1999.
- We agreed the extension of our alliance with Bovis Lend Lease, the construction and project management arm of Lend Lease Corporation, to develop and build new or remodelled service stations.

In the UK and the Rest of Europe, BP Amoco's network covered about 8,200 service stations at December 31, 1999. Significant developments in Europe during 1999 included the following:

- We continued to develop our joint venture agreement with Safeway plc in the UK to redevelop some 100 sites incorporating a Safeway convenience store. By December 31, 1999, 39 such sites had been redeveloped. A further 36 are expected to be redeveloped in 2000 with the remainder of the programme to be completed in 2001.
- In France, Portugal and Spain we continued to develop co-operative retailing arrangements with our partners 8 a Huit, Modelo, and Speedy, respectively.
- In Poland and Russia, we continue to grow our retail network towards our target of 300 sites, with the construction of a further 37 retail sites during 1999 giving a total of 139 in these countries.
- As part of the continued drive to improve the asset base the retail network in Hungary was divested in early 1999.

At December 31, 1999 BP Amoco's retail network in the rest of the world (primarily Australia, New Zealand, Southern Africa and South East Asia) comprised some 3,700 service stations. BP Amoco now has some 130 branded sites in the new markets of Venezuela, China and Japan. In addition, through the Amoxxo joint venture with Femsa, the Group has a network of 28 convenience stores in Mexico.

In our Commercial and Industrial business we aim to attract more customers through innovation in multi-product offers and cleaner fuels, packaged with a range of value-adding services and solutions; thus aiming to increase customer spend and growth in volumes at twice the market rate. Our Commercial and Industrial business operates in Australasia, Europe, South Africa and the USA. This business includes the supply of fuel, LPG, bitumen and, outside Europe, lubricants to industrial and domestic users. In Europe, the Group has a 49% interest in the lubricants activity operated by Mobil as part of the BP/Mobil

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joint venture. In 1999, we continued to reshape our Commercial and Industrial portfolio where we believe it to be appropriate:

- As part of a strategic review of our Bitumen business, we announced, in December 1999, the sale of our Bitumix road contracting business and bitumen supply terminals in New Zealand.
- We continued to develop our LPG business in Portugal, and as a result we have entered into a joint venture with Petrogal and Borealis to develop an LPG storage cavern facility at Sines.

Our aviation business sells jet and other aviation fuels to airlines and general aviation customers as well as providing technical services to airlines and airports. During the last few years, the aviation business has strengthened its position in established markets and pursued opportunities in new or emerging markets. In 1999, BP Amoco's aviation business entered two new markets: Ivory Coast and Chile. The business now markets in some 87 countries. It is the third largest jet fuel supplier globally.

BP Amoco's marine business sells ship's fuel and lubricants to a variety of customers including ship owners and operators, covering a wide range of vessels, from large oil tankers to small fishing boats. We operate a network of offices and supply points in more than 900 ports across 90 countries, reflecting the international nature of this marketing operation. In June 1999, we completed the divestment of our bunkering operations on the US west Coast. BP Amoco is continuing to develop the marine business, and is pursuing new market opportunities in Latin America, Asia and the Middle East.

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In early 2000, BP Amoco's marine business announced that, in conjunction with other participants in this sector, it had signed an agreement to develop an industry-backed internet portal that will include an auction site with facilities to undertake purchase and sales transactions for marine fuels. The site is planned to become operational in mid-2000.

SUPPLY AND MARKETING OF NGL

In the USA and Canada, BP Amoco is engaged in the processing, fractionation and marketing of NGL, which consists of ethane, propane, butanes and pentanes extracted from natural gas. The majority of BP Amoco's NGL is marketed on a wholesale basis under annual supply contracts which provide for price redetermination based on prevailing market prices. Sales volumes of NGL for 1999 averaged 307,000 b/d (1998 318,000 b/d and 1997 298,000 b/d). NGL is also supplied to BP Amoco's chemical and refining activities.

BP Amoco operates and/or owns natural gas processing facilities across all of North America having a total gross capacity of over 12 bcf/d. We own or have an interest in five fractionator plants in Canada and the United States. Two of these are located in Canada in Fort Saskatchewan, Alberta and Sarnia, Ontario, and three are located in the United States in Hobbs, New Mexico, Baton Rouge, Louisiana and Mont Belvieu, Texas. During 1999, additional gas processing and fractionation capacity came on stream in Pascagoula, Mississippi to support the growth in BP Amoco's natural gas production in deepwater Gulf of Mexico.

SUPPLY AND TRADING

We are one of the world's major traders of crude oil and refined products, dealing extensively in physical and futures markets. Our portfolio of purchases and sales is spread among spot, term, exchange and other arrangements, and covers a range of sources and customers to match the location and quality requirements of the Group's refineries and the various markets, while seeking to ensure flexibility and cost-competitiveness. In addition, the Group's

oil-trading division undertakes trading in physical and paper markets in order to contribute to the Group's income.

TRANSPORTATION

Our Refining and Marketing business owns, operates or has an interest in extensive transportation facilities for crude oil, refined products, NGL, carbon dioxide and petrochemical feedstocks in the US. It also has interests in a number of crude oil and product pipelines in the UK and the Rest of Europe.

We transport crude oil to our refineries principally by ship and through pipelines linking our refineries with import terminals. We have interests in eight major crude oil pipelines in the UK and the Rest of Europe and a further thirteen in the USA.

Bulk products are transported between refineries and storage terminals by ship, barge, pipeline and rail. Onward delivery to customers is primarily by road. We have interests in nine major product pipelines in the UK and the Rest of Europe and four in the USA. We also have interests in a major natural gas pipeline, four NGL pipelines, two carbon dioxide pipelines and many smaller pipelines. In total, we have interests in some 33,000 kilometres of pipeline, of which about three-quarters are located in North America.

The lateral pipelines to the main Destin natural gas trunk line from offshore in the Gulf of Mexico to Pascagoula, Mississippi and inland were completed in 1999. This allowed connections with a number of other gas pipelines and access to natural gas markets throughout the Southeast and the East coast of the USA. The Tri-States NGL line, which runs west from our facility in Pascagoula, Mississippi to Kenner, Louisiana, started up in March 1999. In February, 2000 BP Amoco announced that it exercised its right of first refusal to purchase Southern Natural Gas Company's one third interest in the Destin Pipeline. The purchase increases BP Amoco's interest in the pipeline to two thirds, with Tejas Destin L.L.C. continuing to hold the remaining interest.

SHIPPING

BP Amoco Shipping owns or operates an international fleet of crude and product tankers carrying cargoes for the Group and for third parties. It also offers a wide range of services to Group and third party marine customers.

At December 31, 1999 the Group owned an international fleet of twelve tankers, totalling approximately 1.49 million deadweight tons (dwt). This included three Very Large Crude Carriers (VLCCs), four Medium Crude Carriers and five Product Carriers. All four of the Medium Crude Carriers were in lay-up at the end of the year.

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Excluding BP Amoco companies in the USA, the Group had ten tankers (five VLCCs, four Medium Crude Carriers and one Product Carrier) and four barges, totalling approximately 2.17 million dwt, on long-term charter at December 31, 1999.

BP Amoco companies in the USA had 20 tankers (two VLCCs and 17 Medium Crude Carriers and one Product Carrier), totalling approximately 2.39 million dwt on long-term charter along with two other barges on short-term charter. Four of the Medium Crude Carriers, totalling 0.65 million dwt, were in lay-up at the end of 1999.

In addition, a large number of small coastal vessels are used by Group companies around the world.

BP Amoco Shipping has contracted to bareboat charter three more VLCCs for

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 delivery during 2000.

CHEMICALS

Our Chemicals business is a major producer of petrochemicals through subsidiaries and associated undertakings. BP Amoco has operations principally in the USA and Europe, and increasingly in the Asia-Pacific region. Chemicals is also responsible for the supply, marketing and distribution of chemical products to bulk, wholesale and retail customers.

<TABLE>
 <CAPTION>

December 31, ----- 1997 -----	Years ended	
	1999	1998
	-----	-----
		(\$ million)
<S>	<C>	<C>
<C>		
Turnover.....	9,392	9,691
11,445		
Total replacement cost operating profit	686	1,100
1,530		
Total assets.....	13,021	12,562
12,141		
Capital expenditure and acquisitions.....	1,215	1,606
1,145		
		(thousand
tonnes)		
Production (a)	21,853	20,570
19,491		

(a) Includes BP Amoco's share of associated undertakings and other interests in production.

Chemicals margins are driven by the economics of supply and demand and, as a result, are cyclical in nature. An illustration of this is the industry integrated ethylene/low density polyethylene cash margin. This rose from 523 Deutschmarks (DM) per tonne in 1996 to 890 DM/tonne in 1997, then fell to 819 DM/tonne in 1998 and 666 DM/tonne in 1999. In 2000, the chemical industry's external environment is expected to be similar to that faced in 1999. While a pick-up in the growth of economies in Europe and Asia should lead to higher demand, new capacity coming on stream will increase supplies and competitive pressure on margins.

Our strategy is to create competitive advantage in petrochemicals through adding value to Group hydrocarbons, industry cost leadership, world-leading technology, premier market positions, and a bias to higher growth products.

As the petrochemicals arm of an oil major, a key element of our competitive advantage comes through adding value to Group hydrocarbons, notably by combining feedstock, refining and chemical processing on large integrated sites. An example of this is our current investment programme in olefins and derivative products at Grangemouth and Hull in the UK.

Increasing competitive pressures in the industry require an enduring focus on cost reduction and we have made cost management an ongoing part of our business. For example, in 1999 we launched our advanced manufacturing technology

project, which is intended to extensively automate most of our sites. Initial projects are at our Texas City, Texas and Decatur, Alabama sites in the US, and at Hull in the UK. We manage costs structurally too, by focusing our investment on a limited number of world-class manufacturing sites. By limiting the number of sites, we benefit from increased scale and integration of chemical operations along value chains.

Technology will continue to distinguish the most successful companies from their competitors. Leading technology makes us a preferred supplier and a preferred joint venture partner, and this in turn should bring us increased market share and access to new markets. We intend to maintain and extend our leadership in the fundamental technologies that underpin our core businesses. By way of example, our strengths in catalysis, oxidation and fluid bed technology continue to enhance our leadership positions across the portfolio from polymers to basic petrochemicals. BP Amoco has a number of leading technologies in operation already and is currently investing in production capacity utilizing recent breakthroughs in butanediol, vinyl acetate monomer and ethyl acetate manufacture.

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Our leading market positions make us supplier of choice and give us access to a wider range of high quality growth options. We strive to be number one or two in the markets in which we compete, and we have global leadership in paraxylene, PTA, acetic acid, acrylonitrile, and other products. Our growth will be driven by biasing our portfolio towards products which are growing at a higher rate than the industry average. We are present in markets whose volumes are on average increasing at 6% a year overall. This is about twice the rate of global economic growth and compares with an estimated average of 4% for the petrochemicals industry. We have also instituted a programme of marketing initiatives to improve our commercial capability. The programme embraces developments in the sphere of e-commerce, including the introduction of web-based marketing channels.

We will continue to focus our portfolio in areas where we have clear competitive advantage driven by the strategy elements described above. Over the course of 1999, we sold two speciality businesses, Verdugt in February and Plaskon in September; our share in the Wilton olefins cracker in June; and our Fibers and Yarns business in November. We also announced the closure of our joint-venture Singapore aromatics complex. In 2000, BP Amoco refinanced the entity's bank loans and sold its interest in the entity.

MANUFACTURING FACILITIES

BP Amoco has large-scale manufacturing facilities in Europe and the USA. The Group's major sites, with our share of their capacities in thousands of tonnes per annum (ktepa), are: Grangemouth (2,126 ktepa) and Hull (1,400 ktepa) in the UK; Lavera (1,817 ktepa) in France; Marl (623 ktepa) and Dormagen (2,200 ktepa) in Germany; Geel (1,504 ktepa) in Belgium; and Texas City, Texas (2,986 ktepa), Chocolate Bayou, Texas (3,220 ktepa), Decatur, Alabama (2,220 ktepa), and Cooper River, South Carolina (1,310 ktepa) in the USA.

BP Amoco's European and US manufacturing base is a key to its continued success. We also aim to grow in the Asia-Pacific region, which offers prospects for demand growth. The intention is to build upon the existing bridgeheads that the Group now holds in Indonesia, China, Malaysia and Korea. Our share of capacity in Asia (largely through joint ventures) amounts to some 2.7 million tonnes as follows: Indonesia (440 ktepa), Korea (630 ktepa), Malaysia (840 ktepa), Taiwan (740 ktepa) and China (75 ktepa).

The following table shows BP Amoco's production capacity by major product and by business at December 31, 1999.

<TABLE>
<CAPTION>

Total(a)	Feedstocks	Chemical Intermediates	Polymers	Performance Products
-----	-----	-----	-----	-----
		(thousand tonnes per annum)		
<S>	<C>	<C>	<C>	<C>
<C>				
Purified terephthalic acid (PTA)		5,357		
5,357				
Ethylene.....	3,139			
3,139				
Paraxylene.....	2,447			
2,447				
Polypropylene.....			1,919	
1,919				
Styrenics.....			1,458	
1,458				
Polyethylene.....			1,477	
1,477				
Acetic acid/anhydride.....				1,363
1,363				
Linear/poly alpha olefins....				830
830				
Acrylonitrile.....		801		
801				
Other.....	2,474	632	677	3,664
7,447				
-----	-----	-----	-----	-----
Total	8,060	6,790	5,531	5,857
26,238				
=====	=====	=====	=====	=====

</TABLE>

(a) This includes the Group's proportionate interest through associated undertakings in production capacity and production from third-party facilities made available to BP Amoco under long-term agreements.

BP Amoco's petrochemical products are sold to companies in a number of industries that manufacture components used in a wide range of applications. These include the agriculture, automotive, construction, furniture, household products, insulation, packaging, paint, pharmaceuticals and textile industries. Our products are marketed through a network of sales personnel and agents who also provide technical services.

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BP Amoco's Chemicals business is organized into four broad groupings:

- FEEDSTOCKS, including olefins and aromatics;
- CHEMICAL INTERMEDIATES, including PTA and nitriles;
- POLYMERS, including polypropylene, polyethylene, and styrenics; and
- PERFORMANCE PRODUCTS, including acetyls, linear alpha olefins, plastic fabrications, solvents, and fabrics.

FEEDSTOCKS

PRODUCTS

Our feedstocks group produces and markets the basic petrochemical building blocks that are used primarily as raw material for other chemical products. These basic petrochemicals include ethylene, propylene, butadiene, paraxylene and metaxylene.

BP Amoco manufactures and markets feedstock chemicals from the steam cracking of liquid and gaseous hydrocarbons. The olefins - ethylene, propylene and butadiene - are produced by crackers at Grangemouth, UK; Lavera, France (BP Amoco 50%); Dormagen, Germany by Erdoelchemie (BP Amoco 50%); Chocolate Bayou, Texas; and Kertih, Malaysia (BP Amoco 15%). These crackers produce the raw materials for the production of derivative products including polyethylene, polypropylene, acrylonitrile, styrene, ethanol and ethylene oxide, which are also produced at various BP Amoco plants.

BP Amoco is the world's largest producer of paraxylene (PX), and one of the world's largest producers of metaxylene (MX), the feedstocks for PTA and purified isophthalic acid (PIA), respectively. We recover PX and MX from reformed gasoline streams at BP Amoco and other refineries, and deliver them into our aromatic acids plants. PX is produced at Texas City, Texas and Decatur, Alabama in the USA. MX is produced at Texas City.

MAJOR ACTIVITIES

- Advanced Manufacturing technology projects were started at Texas City, Decatur and Hull towards the end of 1999. These initial projects are the beginning of a broader plan to implement the 'next generation' of manufacturing across the chemicals business. This will involve the introduction of leading edge process technology and control systems, and will create extensively automated facilities which are integrated with supply from the nearby refineries and demand from the downstream products.
- In the UK, work is continuing on a major \$825-million development programme. Included in this programme are investments at Grangemouth. The first stage, a 50-ktepa expansion of ethylene capacity, was commissioned in March, 1999. A second 270-ktepa expansion is underway with completion scheduled for the first quarter of 2001. When the second expansion is complete, Grangemouth will have 1 million tonnes of ethylene capacity. This additional production is intended to feed a new polyethylene plant currently being built at the site.
- In Belgium, work proceeded on the construction of a 420 ktepa PX unit at our Geel site. This unit will employ our technology for PX crystallization and will incorporate new process and catalyst technologies commercialized at Decatur in 1997. The project is scheduled for start-up in early 2000.
- BP Amoco continued feasibility studies on a \$2.5-billion project for an integrated ethylene cracker complex in China with the Shanghai Petrochemical Company. In October 1999, the Chinese government approved our proposal for a 50:50 joint venture, and the plant start-up is scheduled for early 2005.
- In June 1999, BP Amoco sold its 20% share of the Wilton olefins cracker.
- In December 1999, we announced the closure of our joint-venture Singapore aromatics complex. In 2000, BP Amoco refinanced the entity's bank loans and sold its interest in the entity.

The Chemical Intermediates group produces and markets PTA, which is the preferred raw material for the manufacture of polyester; acrylonitrile, a raw material for acrylic fibre, varieties of synthetic rubber, a range of plastics and other chemical products; PIA used for isopolyester resins and gel coats; naphthalene dicarboxylate (NDC), used for photographic film and specialized packaging; trimellitic anhydride (TMA), used by the automotive, construction, consumer goods, and packaging industries; and maleic anhydride (MAN), used in a wide range of plastics and resins.

BP Amoco is the world's largest producer of PTA, with an interest in approximately 25% of the world's PTA capacity. PTA is manufactured at Cooper River, South Carolina and Decatur, Alabama, in the USA, Geel in Belgium, and Kuantan in Malaysia. We also produce PTA through joint ventures in Korea (BP Amoco 35%), Taiwan (BP Amoco 50%), Brazil (BP Amoco 49%), Mexico (BP Amoco 8.55%) and Indonesia (BP Amoco 50%). The Taiwan joint venture operation, Cooper River, and Decatur represent the three largest PTA production sites in the world.

BP Amoco is also the world's largest producer and global marketer of acrylonitrile. We operate two acrylonitrile plants at Green Lake, Texas and Lima, Ohio. Green Lake, with a capacity of 460 ktpa, is the largest acrylonitrile production site in the world. Acrylonitrile is also produced by Erdoelchemie at Dormagen, Germany and through a capacity rights agreement with Sterling Chemicals at Texas City, Texas. Additionally, BP Amoco is the world's largest producer and marketer of acetonitrile, primarily sold into pharmaceutical applications.

The Anhydride business unit produces TMA and MAN at Joliet, Illinois, and is the world's largest producer of TMA. We are entering the global market for 1,4-butanediol (BDO) using our proprietary technology in a world-scale plant at Lima, Ohio. BDO and its derivatives are used in pharmaceuticals, a variety of personal care products, plastics, auto parts and sports clothing.

PIA is produced in Joliet, Illinois; Geel, Belgium; and by the AGIC joint venture (BP Amoco 50%) in Japan. NDC is produced at our plant in Decatur, Alabama.

MAJOR ACTIVITIES

- A 500 ktpa PTA unit at Geel, Belgium site was recommissioned as scheduled during the second quarter of 1999 after a fire forced us to shut it down in 1998.
- Construction progressed on a \$10 million demonstration unit for our proprietary propane-to-acrylonitrile technology process at the Green Lake manufacturing facility. The project, involving an innovative recovery and purification unit of unique design which will be integrated with one of the three fluid-bed reactors at the Green Lake plant, is scheduled for completion in the summer of 2000.
- In September 1999, we commissioned an acetonitrile purification unit (APU) at the BASF acrylonitrile plant at Seal Sands, UK, providing BP Amoco with acetonitrile for sale into Europe. Owned by BP Amoco, the APU is operated by BASF.
- In June 1999, we commenced operation of a new leased import/export terminal at Point Comfort, Texas and a pipeline between Point Comfort and Green Lake for distribution and storage of acrylonitrile and raw material ammonia.
- In December 1999 we completed a 20% expansion of the TMA plant at Joliet.

POLYMERS

PRODUCTS

The polymers product line includes polypropylene, used for moulded products, fibres and films; polyethylene, used for packaging, pipes and containers; engineering polymers used for medical, automotive and electronic applications; carbon fibres used in aerospace applications and sporting goods; and styrene monomers and polymers used in packaging and containers.

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We are the third-largest producer of polypropylene in the world. Polypropylene is manufactured at Chocolate Bayou and Cedar Bayou, Texas and Geel, Belgium. In addition, Appryl (BP Amoco 49%) operates polypropylene plants at Lavera and at Gonfreville, France. BP Amoco has its own proprietary polypropylene technology.

We are one of Europe's leading producers and suppliers of polyethylene, the world's most widely used plastic. BP Amoco operates linear low density polyethylene (LLDPE) and high density polyethylene (HDPE) plants at Grangemouth, Lavera, Merak in Indonesia (BP Amoco 51%) and at Kertih in Malaysia (BP Amoco 60%). A low density polyethylene (LDPE) plant is operated at Wilton, UK. Erdoelchemie (BP Amoco 50%) also produces LLDPE and LDPE at Dormagen in Germany.

Innovene, our proprietary gas-phase production process for polyethylene based on a clean and cost-effective technology, has been licensed to 25 different companies in 16 countries. We have launched an enhanced version of our High Productivity technology and have a range of next generation catalyst programmes. During 1999, we successfully produced LLDPE film using metallocene catalysts, in collaboration with Dow Chemical Company.

We operate styrene monomer plants at Texas City, Texas in the USA and Marl in Germany. Polystyrene plants are operated at Marl, Wingles in France and Trelleborg in Sweden. Expanded polystyrene (EPS) plants are operated at Wingles and Marl.

BP Amoco's Engineering Polymers and Carbon Fibers business has manufacturing facilities at Marietta, Ohio; Greenville and Rock Hill, South Carolina; and Atlanta and Augusta, Georgia in the USA.

MAJOR ACTIVITIES

- As part of the Grangemouth expansion programme, a new 300 ktepa polyethylene plant employing enhanced High Productivity process technology is planned to be commissioned in the summer of 2000.
- Also at Grangemouth in 1999, Appryl (BP Amoco 49%) continued the construction of a 250-ktepa polypropylene plant, with commissioning expected in 2000.
- The construction of the 250-ktepa polyethylene plant for the Bataan Polyethylene Corporation (BP Amoco 38%) in the Philippines is nearing completion and is due on stream in the third quarter of 2000.
- In February 1999, new polypropylene capacity of 250 ktepa was brought on stream at the Chocolate Bayou plant in Texas.
- In the third quarter of 1999, a new polystyrene line using BP Amoco technology was successfully commissioned at Wingles. Concurrently, our styrenics business undertook a major restructuring programme, closing three older EPS units and mothballing a polystyrene train.
- In September 1999, the Plaskon business, which manufactures computer chip

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packaging encapsulant resins, with manufacturing facilities located in Singapore, was sold.

-- The Baglan Bay, UK, styrene monomer plant was closed in November 1999.

PERFORMANCE PRODUCTS

PRODUCTS

This group of businesses covers the following: acetic acid/anhydride, solvents, linear alpha olefins, industrial products, polybutenes, plastic fabrications group, and fabrics and fibres. These businesses add value to raw materials produced by our other chemicals businesses.

We are a major supplier of acetic acid, a versatile chemical used in a variety of products such as foodstuffs, textiles, paints, dyes and pharmaceuticals. BP Amoco has acetyls operations in Europe, the USA and Korea (BP Amoco 51%), and commissioned a 150-ktepa acetic acid plant in Sichuan, China with local partners (BP Amoco 51%) in late 1998. This plant performed above capacity during 1999, and a re-rating of the capacity to 200 ktepa was announced in October 1999.

In Korea, the Asian Acetyls Company (BP Amoco 34%) operates a 150 ktepa vinyl acetate monomer (VAM) plant. BP Amoco currently operates a 110-ktepa VAM plant at Baglan Bay, UK and has a toll manufacturing agreement with Enichem for 50 ktepa of VAM from Porto Marghera in Italy.

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BP Amoco is the world's leading merchant supplier of polybutene. Polybutene is manufactured at Texas City, Texas, and Whiting, Indiana in the US, and at Lavera, France. Our Grangemouth polybutene facility was closed in 1999 as part of an asset optimization drive. Polybutene is consumed as fuel additives, lubricants, adhesives, sealants, cable filling compounds, personal care products, in polymer modification, tackified polyethylene, explosives and in many other products.

Linear alpha olefins (LAO) are used as co-monomers in the production of polyethylene, as intermediates for the manufacture of linear plasticizers for polyvinyl chloride (PVC), as raw material to manufacture poly alpha olefins (PAO) for synthetic lubricants, as a building block for the production of biodegradable surfactants, in synthetic-based drilling muds for the oil field and for a host of other intermediate and final products. LAOs are produced at our facilities in Pasadena, Texas and Feluy, Belgium. To meet the requirements of the industry, production of LAOs at our plant in Feluy was increased during the second quarter of 1999 by 50%. This increase in production pushed capacity to 300 ktepa.

BP Amoco is the world's leading merchant supplier of poly alpha olefins (PAO), high viscosity index materials primarily used in the production of high performance, environmentally friendly, synthetic lubricants and motor oils. These materials are manufactured at facilities in Deer Park, Texas and Feluy.

Our other Performance Product businesses are: (i) Solvents and Industrial Chemicals, which manufactures and markets acetate esters, iso-propanol, acetone, glycol esters, aerosols and ethanol at plants in the UK, France, Belgium, Italy and Korea. These products have many applications including pharmaceuticals, inks and paints. This business also manufactures ethylene oxide, ethanolamines, brake fluids, antifreeze, oilfield chemicals, and plasticizers; (ii) Plastic Fabrications, with a number of European and US sites converting polymer resins into plastic films, rigid containers, non-woven fibres and engineering components; and (iii) Fabrics and Fibers, which makes products for carpet backing and industrial uses such as civil engineering fabrics and bulk bags.

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MAJOR ACTIVITIES

- Construction began on a 220-ktepa ethyl acetate plant at Hull and 110 ktepa ethanol plant at Grangemouth, both scheduled for completion in 2001. The ethyl acetate investment is based on BP Amoco's innovative proprietary 'direct addition' method for making ethyl acetate from ethylene and acetic acid which does not require ethanol as a raw material.
- Construction continues on a 200-ktepa VAM plant at Hull, which uses the proprietary BP Amoco LEAP technology based on fluid bed catalyst. The work is scheduled for completion in 2001, and the plant will ultimately replace production from Baglan Bay and Porto Marghera.
- We are investing with Petroliam Nasional Berhad (Petronas) in an acetic acid plant at Kertih, Malaysia, with a capacity of 400 ktepa (BP Amoco 70%). Construction of the plant, which will use our Cativa technology, started in 1998, and production is scheduled to commence during 2000.
- In 1999 we commenced construction of a \$300-million, 250-ktepa LAO facility in Alberta, Canada. It is scheduled to come online in 2001. The facility is based on technology used in our Feluy plant.
- In February 1999, we sold a small speciality business, Verdugt, in the Netherlands and in October we disposed of Plaspak Kunststoffe, a plastic net and webbing business in Austria. In November, we sold our Fibers and Yarns business, located in the US.

OTHER BUSINESSES AND CORPORATE

Other Businesses and Corporate comprises Finance, BP Solarex, the Group's remaining coal asset, interest income and costs relating to corporate activities worldwide.

FINANCE co-ordinates the management of the Group's major financial assets and liabilities. From locations in the UK, Europe, the USA and the Asia-Pacific region, it provides the link between BP Amoco and the international financial markets, and makes available a range of financial services to the Group including supporting the financing of BP Amoco's projects around the world.

Moody's and Standard and Poor's have assigned long-term debt ratings of Aa1 and AA+, respectively, to BP Amoco.

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Finance has in place a Debt Issuance Programme, under which the Group may raise an aggregate of \$4 billion of debt for maturities of one month or longer. At March 24, 2000 the amount drawn down against this programme was \$2,705 million.

In 1999, BP Amoco purchased the 50% of Solarex it did not already own from Enron Corporation for \$45 million. Our expanded SOLAR business was renamed BP Solarex. The new company has a 20% share of the global market and is one of the largest manufacturers of photovoltaic cells and modules with plants in the USA, Spain, Australia and India. In 1999 BP Solarex revenues totalled \$179 million and solar module production grew 23%. Many of BP Solarex's successes in 1999 were based on advanced technology. One major project, 'Plug in the Sun', involved installing solar modules on 200 new BP Amoco service stations in nine countries. Another involved using solar energy to power 665 houses in the Athlete's Village adjacent to the Olympic site in Sydney, Australia.

COAL activity consists of our 50% interest in PT Kaltim Prima Coal, an Indonesian company. This company operates an opencast coal mine at Sangatta in

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Kalimantan, Indonesia.

RESEARCH, TECHNOLOGY AND ENGINEERING activities are carried out by each of the major business streams on the basis of a distributed programme coordinated by the BP Amoco Technology Council. This body provides leadership for scientific, technical and engineering activities throughout the Group and in particular promotes cross-business initiatives and the transfer of best practice between businesses. In addition, a group of eminent industrialists and academics form the Technology Advisory Council, which advises senior management on the state of technology within the Group and helps identify current trends and future developments in technology.

Research and development is carried out using a balance of internal and external resources. Involving third parties in the various steps of technology development and application enables a wider range of technology solutions to be considered and implemented, improving the productivity of research and development activities.

The innovative application of technology and the rapid transfer of this knowledge through the Group make a key contribution to improving BP Amoco's business performance, particularly in the areas of the introduction of new products, safety, the environment, cost reduction and efficiency of business operations. We believe that, in addition to improving existing business performance, the use of innovative technology can create new possibilities for the organic growth of our energy- and petrochemical-related businesses.

INSURANCE. The Group generally restricts its purchase of insurance to situations where this is required for legal or contractual reasons. This is because external insurance is not considered economic for the Group. Losses will therefore be borne as they arise, rather than being spread over time through insurance premia. The position is reviewed periodically.

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REGULATION OF THE GROUP'S BUSINESS

UNITED KINGDOM

LICENSING. Pursuant to, among other things, the Petroleum (Production) Act 1934, all petroleum existing in its natural condition in strata in the UK or beneath its territorial waters (including its continental shelf) is the property of the Crown, and licences to explore for and produce it may be granted, subject to conditions, by the Secretary of State for Trade and Industry (Secretary of State). These conditions include provisions relating to the term of the licence, the imposition of specific drilling obligations, environmental protection controls, controls over the development and decommissioning of oil and natural gas fields (including restrictions on production) and the payment of royalties.

DEVELOPMENT OF OIL AND NATURAL GAS RESERVES. The development and production of UK oil and natural gas reserves (including rates of production) require the approval or consent of the Secretary of State. There have been a number of policy statements by various UK Governments over the years with respect to production controls. Although successive Governments have made it clear that the imposition of production cut-backs in order to facilitate a coherent depletion policy has been kept under review, the steps taken by the Government since the early 1980s have tended to concentrate on encouraging exploration, development and production and no significant cut-backs of previously agreed rates of production are known to have been imposed.

OTHER CONTROLS. In addition to the regulatory powers of the Government referred to above, the Secretary of State has wide powers over the oil field operations, including gas flaring, the installation, use and tariffs of sub-marine pipelines, the construction or expansion of refining capacity and powers to

impose programmes for the eventual decommissioning of offshore installations. Furthermore, the Secretary of State for Transport has powers to control the positioning of offshore installations if the chosen location is in or close to a shipping lane. The UK Health and Safety Executive has wide powers and duties in relation to offshore health and safety. BP Amoco is also subject to European Union legislation, in particular the Procurement Directive which regulates the procedure for awarding major contracts.

PETROLEUM REVENUE TAX. Petroleum revenue tax (PRT) was abolished in the Finance Act 1993 in respect of oil and natural gas fields given development consent on or after March 16, 1993 (Non-Taxable Fields). Profits from Non-Taxable Fields are charged to corporation tax under general principles. PRT is still charged on profits from fields given development consent before that date (Taxable Fields). PRT is charged in relation to Taxable Fields on profits from oil (which includes gas except where specifically excluded by statute) won under licences granted under either the Petroleum (Production) Act 1934 or the Petroleum (Production) Act (Northern Ireland) 1964. It is charged on a field-by-field basis, at the rate of 50% for chargeable periods ending after June 30, 1993 (75% for periods ending on or before that date), on the assessable profit arising in each chargeable period (normally the six months ending on June 30 and December 31 in each year), as reduced by any allowable losses and by an oil allowance (unless the maximum amount of oil allowance has already been used), and subject in certain years to an overall limit (safeguard). PRT is also chargeable on any consideration received in connection with the use by other fields and the disposal of certain 'qualifying assets', the expenditure on which is allowable for PRT, subject to an allowance in the case of the use of assets by fields which are themselves liable to PRT.

The assessable profit reflects, very broadly, the market value of oil won less the costs of discovery and production, including any Government royalties payable. Interest and other financing costs are not deductible in determining the assessable profit; instead, certain costs are designated as qualifying for a supplement of 35% (uplift). Uplift ceases for costs incurred after the end of the chargeable period in which the field's cumulative income exceeds its cumulative expenditure (payback).

Oil allowance exempts certain amounts from PRT. For each onshore field and offshore field given development consent before April 1982, an allowance of up to 250,000 tonnes of oil per chargeable period is available, subject to a cumulative total of 5 million tonnes. For each onshore field and each offshore field situated in the Southern Basin of the North Sea given development consent after March 1982, the oil allowance for chargeable periods ending after June 30, 1988 is 125,000 tonnes per chargeable period and the cumulative total is 2.5 million tonnes. For each offshore field not situated in the Southern Basin given development consent after March 1982, the allowance is 500,000 tonnes per chargeable period subject to a cumulative total of 10 million tonnes. The oil allowance is shared by the participants in each field in proportion to their shares of oil. Safeguard provides that the total PRT payable in respect of a field is limited to 80% of the amount (if any) by which the PRT profits for a chargeable period (specially adjusted for this purpose) exceed 15% of accumulated expenditure (as adjusted). Safeguard remains available after payback has been reached for half as many periods again as it took to reach payback from the first chargeable period.

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Allowable losses in any chargeable period can be set off against the assessable profits of subsequent or, after making an appropriate claim, previous periods from the same field but, in relation to losses arising in respect of chargeable periods ending after June 30, 1993, the PRT repayment plus any interest thereon arising from the set-off of losses against profits of previous periods cannot exceed 60% of the losses set off (85% in respect of chargeable periods ending after June 30, 1991 and on or before June 30, 1993). In addition,

relief is available against the assessable profit from a field for certain expenditure incurred outside the field. There are restrictions to prevent the obtaining of relief for expenditure incurred in connection with Non-Taxable Fields against profits from Taxable Fields. Exploration or appraisal expenditure incurred on or after March 16, 1983 and before March 16, 1993, in respect of an area for which no development decision has been made, may be set against the assessable profits of any Taxable Field together with any such expenditure incurred prior to that date which is designated as abortive. There is no relief for exploration and appraisal incurred after March 16, 1993 unless the Company was already committed to it at that date and it is incurred on or before March 16, 1995. There is an additional transitional relief for exploration and appraisal expenditure, subject to certain conditions, limited to a maximum of £10 million for expenditure incurred on or after March 16, 1993 and before January 1, 1995. Finally, a loss from a Taxable Field in which the winning of oil has permanently ceased which cannot be relieved against the assessable profits of that field can be claimed against the assessable profit from any other Taxable Field. The offset of reliefs is limited to prevent a company buying into mature oil fields and setting pre-acquisition expenditures against the assessable profits of that field.

CORPORATION TAX. Companies are also subject to corporation tax on their profits or gains from oil extraction activities, although PRT is deductible in computing any corporation tax liability. There are restrictions on using reliefs from other activities against profits or gains from oil extraction activities, or from the disposal of interests in oil or of assets used in connection with a field in the UK or a designated area. There is also an exemption from capital gains taxation and capital allowance clawback for certain exchanges of licence interests before the development stage. An election can be made in relation to expenditure incurred after June 30, 1991 for 100% reliefs for certain net offshore decommissioning expenditure. Losses created by these decommissioning reliefs are available for set-off against profits of the previous three years.

In his Budget of July 1997 the UK Chancellor announced a review of the North Sea fiscal regime to ensure that an appropriate share of North Sea profits is being taxed while continuing to maintain a high level of oil industry interest in the future development of the UK's oil and gas reserves. In BP Amoco's submission to the review it argued that the existing fiscal regime broadly succeeds in both areas. In September 1998 the Chancellor announced that the existing regime would not be changed.

UNITED STATES

TAX. The State of Alaska imposes various taxes on the Group's operations in Alaska. At present, these include a severance tax on oil and natural gas produced, an ad valorem tax on all oil and gas exploration, production and pipeline equipment and a corporate income tax on companies doing business in Alaska. Following the Exxon Valdez oil spill, the State of Alaska passed an act to finance the State's Oil and Hazardous Substance Release Response Fund by imposing a conservation surcharge of \$0.05 per barrel on all oil subject to the State's oil and gas properties production tax. Subsequently, the State amended the surcharge to suspend \$0.02 per barrel of it when the balance in the Response Fund exceeds \$50 million, and as a result the net surcharge is \$0.03 per taxable barrel unless there is a spill that draws the Fund's balance below \$50 million. Further, losses occurring in connection with a catastrophic oil discharge are not deductible as business expenses in determining the gross value of oil for tax purposes in the State of Alaska.

PIPELINE REGULATIONS. The Interstate Commerce Act requires common carriers engaged in the transport by pipeline of oil in interstate or foreign commerce to file tariffs with the Federal Energy Regulatory Commission (the FERC) showing all rates, classifications, rules and practices between all points on their system. It also prohibits them from collecting any different compensation for transportation from that specified in their approved tariffs. Third parties, or

the FERC on its own motion, may initiate an investigation of any proposed tariff, which involves the scheduling of a hearing. If the FERC, at the conclusion of a hearing, finds that a new or increased rate is unreasonable or discriminatory, or otherwise in violation of the Interstate Commerce Act, it may order the carrier to cease and desist from charging that rate, may prescribe a rate for the future and order refunds to shippers of collected amounts found to be unreasonable.

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ENVIRONMENTAL PROTECTION

HEALTH, SAFETY AND ENVIRONMENTAL REGULATION

The Group is subject to numerous national and local environmental laws and regulations concerning its products, operations and other activities. These laws and regulations may require the Group to take future action to remediate or otherwise redress the effects on the environment of prior disposal or release of chemicals or petroleum substances by the Group or other parties. Such contingencies may exist for various sites including refineries, chemicals plants, oil fields, service stations, terminals and waste disposal sites. In addition, the Group may have obligations relating to prior asset sales or closed facilities. Provisions for environmental restoration and remediation are made when a clean-up is probable and the amount is reasonably determinable. Generally, their timing coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The provisions made are considered by management to be sufficient for known requirements.

The extent and cost of future environmental restoration, remediation and abatement programmes are inherently difficult to estimate. They depend on the magnitude of any possible contamination, the timing and extent of the corrective actions required and BP Amoco's share of liability relative to that of other solvent responsible parties. Though the costs of future restoration and remediation could be significant, and may be material to the results of operations in the period in which they are recognized, it is not expected that such costs will have a material impact on the Group's financial position or liquidity.

Management cannot predict future developments, such as increasingly strict requirements of environmental laws and enforcement policies thereunder, that might affect the Group's operations or affect the exploration for new reserves or the products sold by the Group. A risk of increased environmental costs and liabilities is inherent in particular operations and products of the Group and there can be no assurance that material costs and liabilities will not be incurred in the future. In general, the Group does not expect that it will be affected differently from other companies with comparable assets engaged in similar businesses. Management believes that the Group's activities are in compliance in all material respects with applicable environmental laws and regulations.

For a discussion of the Group's environmental expenditures see Item 9 -- Management's Discussion and Analysis of Financial Condition and Results of Operations -- Environmental Investment.

In December 1997, at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change in Kyoto, Japan, the participants agreed on a system of differentiated internationally legally binding targets for the first commitment period of 2008-2012. The range of targets in Annex I countries (OECD, former Soviet Union and Eastern Bloc countries) against 1990 levels of emissions is from -8% to +10% for a basket of the six main greenhouse gases. The USA agreed, subject to ratification by the Senate, on a reduction of 7%, and the European Union on a reduction of 8%. EU member states have undertaken differentiated commitments on the basis of 'burden sharing' to meet

the overall Community target. Projections of the increase in emissions without any reduction measures are estimated at 32% for the USA and 19% for the European Union. If these targets are to be met a major reduction in the use of fossil fuels would be required, and this would be likely to have a significant effect on BP Amoco's main businesses, but the Group does not expect that it will be affected differently from other companies with comparable assets engaged in similar businesses.

The following is a summary of significant health, safety and environmental legislation affecting the Group in 1999.

UNITED STATES

The Clean Air Act and its regulations require, among other things, enhanced monitoring of major sources of specified pollutants, stringent limits on chemical plant, refinery, marine and distribution terminal emissions, risk management plans for storage of hazardous substances, and new fuel specifications.

Title V of the Clean Air Act requires major emission sources to obtain new air permits. This permitting effort is underway at the Group's US operations. Title V also requires more comprehensive measurement of specified air pollutants from major emission sources. Two aims of this regulation are to provide regulating bodies with accurate data on emissions from major sources, and to enable regulatory authorities to better evaluate compliance with applicable emission limitations. Federal authorities have recently promulgated monitoring requirements.

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Risk Management Plan regulations require that any non-exempted facility that processes or stores a threshold amount of a regulated substance prepares and implements a risk management plan to detect, prevent and minimize accidental releases. Undertaking an offsite hazard assessment, preparing a response plan and dialogue with the local community are the primary components of the programme.

Additionally, the Clean Air Act imposes specifications for motor vehicle fuels that significantly impact petroleum refining and marketing operations. In nine urban areas with the highest ozone levels, reformulated gasoline (RFG) containing oxygenates and lower levels of benzene, and having lower levels of volatility was introduced beginning January 1995. The emission reduction requirements have been phased in over time and are now fully in effect. BP Amoco manufactures and markets fuels in some of these nine areas, as well as in other areas that chose to join the RFG programme.

Since 1992, gasoline sold during the winter in approximately 40 metropolitan areas with high carbon monoxide levels must have higher levels of oxygenates such as methyl-tertiary-butyl-ether (MTBE) and ethanol. BP Amoco is providing such oxygenated fuels in a number of US markets. Recently some environmental groups and legislators have expressed opposition to the continued use of MTBE as an oxygenate. Some metropolitan areas have been able to achieve compliance with carbon monoxide standards and terminate their oxygenated fuels programmes.

Beginning 1993, the Clean Air Act limited highway diesel fuel sulphur content to 0.05%. BP Amoco has been producing this fuel in many of its US markets. The Amendments also require service stations located in certain ozone non-attainment areas to install equipment to capture gasoline vapours released during refuelling.

The Clean Air Act also requires installation of 'maximum achievable control technology' (MACT) over a ten-year period at certain types of industry

facilities that release certain specified toxic chemicals. Additional controls could be required if the US Environmental Protection Agency (EPA) determines that an unacceptable residual risk remains after installation of MACT. The EPA has finalized MACT control requirements for certain categories of chemical plants, refineries, gasoline marketing terminals and marine terminals. Additional regulations on some sources in petroleum refineries were proposed in 1998. These are expected to be finalized in 2000 with compliance required in 2003. The EPA is also attempting to impose more stringent controls on the emission of nitrous oxides (NOx) and particulate matter.

The Clean Water Act regulates the discharge of wastewater and other pollutants into US waters. Facilities are required to obtain permits for most discharges, install control equipment and implement operational controls and preventative measures. Requirements under the Clean Water Act have become more stringent in recent years, including coverage of storm and surface water discharges at many facilities. The administrators of agencies for the Clean Water Act and the Endangered Species Act formalized agreements linking those statutes with the potential to limit access because of habitat concerns to certain areas with development potential. During 1995 a final federal rule was issued regarding protection of the Great Lakes watershed which will have local and national impacts on water protection requirements. During 1998, individual states in the Great Lakes watershed were working on regulations implementing the federal rule.

The Oil Pollution Act of 1990 (the Oil Pollution Act) significantly increased oil spill prevention requirements, spill response planning obligations and spill liability for vessels, offshore facilities (such as platforms) and onshore terminals. To provide compensation for oil spill response where the spiller is unable to do so, the Oil Pollution Act created a \$1 billion fund, funded by a tax on imported and domestic oil.

The Oil Pollution Act also requires double hulls on all new tankers operating in US waters and double hulls installed on existing tankers on a phased schedule between the years 1995 and 2015. Major oil shippers and handling facilities are expected to be most affected by the expanded technical and operational requirements for tankers under the Oil Pollution Act. Regulations require businesses covered by this Act to carry specified levels of insurance or other documentation of financial responsibility and maintain facility response plans that, among other things, identify and prepare for worst case spill scenarios. Facilities must also conduct emergency response programmes in coordination with area and national response plans.

The Prince William Sound port-specific vessel escort plan required by regulations that became effective late in 1994, was updated during 1995, including operational requirements such as enhanced tanker steering capabilities, rudder failure response procedures, and reduced speed in the Valdez Narrows, plus directives on communications and training.

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BP Amoco has set performance objectives to enhance emergency preparedness and crisis management at all facilities, and to promote compliance with all related legislation such as the Oil Pollution Act. These objectives are designed to be met through appropriate assessment, planning, training and routine exercises, and by the provision or identification of sufficient human and physical resources.

The Resource Conservation and Recovery Act (RCRA) regulates the storage, handling, treatment, transportation and disposal of hazardous and non-hazardous wastes. It also requires the investigation and remediation of certain locations where such wastes have been previously handled or disposed of. RCRA requirements have become increasingly stringent in recent years. BP Amoco facilities generate a number of wastes regulated by RCRA and have units that have been used for the

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storage, handling or disposal of RCRA wastes.

Under the Comprehensive Environmental Response, Compensation, and Liability Act (also known as CERCLA or Superfund), waste generators, site owners, facility operators and certain other parties may be liable for the entire cost of addressing sites contaminated by spills or waste disposal regardless of fault or the amount of waste contributed to a site. Additionally, most states have laws similar to CERCLA.

BP Amoco has been identified as a Potentially Responsible Party (PRP) under CERCLA and similar state statutes at approximately 420 sites. A PRP has a joint and several liability for site remediation costs and so BP Amoco may be required to assume, among other costs, the share attributed to insolvent, unidentified or other parties. BP Amoco is the PRP identified as having the most significant exposure for remediation costs at 27 of these sites. For the remaining sites the number of PRPs ranges generally from 20 to 200, and BP Amoco expects its share of remediation costs in respect of these sites to be small. BP Amoco has estimated its potential exposure at all sites where it has been identified as a PRP and has accrued provisions accordingly. BP Amoco does not anticipate that its ultimate liability at these sites individually, or in aggregate, will be significant. The Group is also subject to claims made for natural resource damage under several federal and state laws.

Other significant legislation includes the Toxic Substances Control Act which, among other things, regulates the development, testing, import, export and introduction of new chemical products into commerce; the Occupational Safety and Health Act which, among other things, imposes workplace safety and health, training and process standards to reduce the risks of chemical exposure and injury to employees; and the Emergency Planning and Community Right-to-Know Act which requires emergency planning and spill notification as well as public disclosure of chemical usage and emissions. The Occupational Safety and Health Administration's Process Safety Management (PSM) rule formalizes the procedures used in identifying and minimizing safety risks at a covered facility and also in conducting formal documented hazard reviews of all covered processes.

UNITED KINGDOM AND EUROPEAN UNION

Part 1 of the UK Environmental Protection Act 1990 introduced the concept of Integrated Pollution Control (IPC) of pollution to air, water and land by requiring each prescribed process (including petroleum and gasification processes) to be authorized. The controls apply to new processes in England and Wales from April 1, 1991 and in Scotland from April 1, 1992. The standard to be achieved by each process is the Best Available Techniques Not Entailing Excessive Cost (BATNEEC). Existing petroleum and gasification processes had to apply for an IPC authorization by June 30, 1992. These processes were to be upgraded to the BATNEEC standard at the earliest opportunity and generally for petroleum and gasification processes by April 1, 1998. BP Amoco has registered all sites affected by the IPC legislation and is carrying out monitoring and upgrading of processes as required. Onshore oil production facilities are covered by separate guidance notes issued in November 1995. BP Amoco has IPC authorizations for its onshore production facilities which effectively equate to BATNEEC compliance. Where they do not, the authorization includes an agreed improvement programme which BP Amoco is working towards with its Environment Agency IPC Inspector. The UK Environmental Protection Act may also impose new investigation and remediation obligations on the Group's UK facilities upon the adoption of implementing regulations.

A European Commission directive for a similar system of Integrated Pollution Prevention and Control (IPPC) is based upon Best Available Techniques (BAT) with cost-benefit analysis as a holistic approach. In the event that the use of BAT will fail to meet Environmental Quality Standards (EQS), plant emissions must be reduced further to meeting the EQS. This encompasses, among other things, most activities and processes undertaken by the oil industry

within the European Union. The European Commission has stated that it hopes that all processes to which it applies will be licensed by July 2005. When implemented, this directive will replace the IPC regulation in the UK. All plants must be upgraded to BAT standards by 2007.

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The European Union Large Combustion Plant Directive sets emission limit values for sulphur dioxide, nitrogen oxides and particulates from large combustion plants; it also requires phased reductions in emissions from existing large combustion plants. Implementation by Member States was required by June 1990. In the UK, it has been given effect through the authorization mechanism in Part 1 of the Environmental Protection Act 1990. Large combustion plants required an IPC application to be made by April 30, 1991. Upgrading to the BATNEEC standard is required at the earliest opportunity, at the latest by April 1, 2001. The European Commission has considered proposals to impose emission limit values on small combustion plants. A revised Large Combustion Plant Directive was proposed by the Commission in 1998 to be considered by the Council and Parliament during 1999-2000, as part of the EU Acidification Strategy. After revisions of the EU treaty agreed to in Amsterdam, Parliament has acquired an increased role in environmental legislation through co-decision procedures.

As part of its overall programme to combat air pollution, the European Union has set stringent emission limits for new cars and commercial vehicles which are being implemented in stages. Beginning October 1994, the sulphur content of diesel fuel was limited to 0.2% and from October 1996 the limit was further reduced to 0.05%. Heating oils were initially limited to 0.2% with further reductions subject to review. In August, the Federal German Government adopted a regulation to encourage early introduction of low sulphur transport fuels by setting differential excise taxes for gasoline and diesel with maximum 50 ppm sulphur content from November 2001, and for a maximum of 10 ppm from January 2001. It also proposed that 10 ppm sulphur fuels should be adopted at EU level. Implementation of the German regulation depends on tax derogations being agreed by the Commission and the other Member States. The Commission made it clear that it will not consider 10 ppm sulphur fuels within the current Auto/Oil Programme for implementation in 2005.

In 1998, the EU adopted directives to set emission limits for cars and light vehicles to apply from 2000, together with specifications for gasoline and diesel fuel to apply from that date. Some member States indicate that they need such energy product taxes to enable them to meet their Kyoto commitments, within the EU burden sharing agreement, and are already implementing national legislation. The Commission is also undertaking a second Auto/Oil Programme to propose changes to other gasoline and diesel fuel specifications from 2005, as well as non-technical measures designed to help meet air quality targets.

In April 1999, the EU adopted a directive to further reduce the sulphur content of liquid fuels, but excluding marine bunker fuel oil, and marine gas oil used by ships crossing a frontier between a third country and an EU Member State. Sulphur in gas oil will be limited to 0.2% from July 2000, and 0.1% from January 2008. From January 2003, sulphur in heavy fuel oil will be limited to 1%, except where use of heavy fuel oil up to 3% sulphur can be used in combustion plants without exceeding specific emission limits, and provided that local air quality standards are met.

As part of its overall approach to improving air quality, in 1997 the Commission proposed its Acidification Strategy, and followed this with its proposal for a strategy to combat tropospheric ozone. The Ozone Strategy was adopted in 1998. Four air quality targets have been adopted as Commission Directives, two more have been proposed and a target of 120 micrograms per cubic metre for ozone itself was proposed in 1999, together with a proposal for national emission ceilings for the main polluting emissions. Upon adoption by the Council, these targets and ceilings will be the reference point for further

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environmental controls of industrial installations at Community and Member State levels.

As part of its ozone strategy, the EU has taken action on volatile organic compounds (VOCs). In late 1994, the European Union adopted the so-called Stage 1 VOC controls which require a 90% cut in emissions over ten years from petrol transport and storage. In November 1996, the Commission proposed a directive on control of emissions of organic solvents from the solvent-using industry which has the goal of combating low-level ozone by setting emission limits and, as an alternative, targets to be met by national plans. Existing installations would be required to reach compliance by 2007 (VOC). This proposal was adopted as a directive during 1998.

As part of a package to stabilize carbon dioxide emissions at 1990 levels by the year 2000, the European Commission proposed a combined carbon dioxide/energy tax. In March 1997, the Commission proposed instead an energy tax that is intended to be fiscally neutral when applied by Member States. Though formally the proposal replaces the carbon dioxide/energy tax proposal that had been blocked in Council, it has as its main objective to provide a harmonized framework by setting minimum levels for national excise taxes on energy products, and to allow Member States greater flexibility to offer tax incentives based on environmental criteria, whilst avoiding barriers to trade within the Single Market. Maximum sulphur levels for gasoline and diesel fuels to apply from 2005 were also agreed as 50 ppm, which is 0.005%, and 35% maximum aromatic content for gasoline from the same date. In 1999, this was followed by emission limits for heavy commercial vehicles, also based on the Auto/Oil Programme conclusions.

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The European Union enacted the Major Hazards (Seveso) Directive (the Seveso Directive) in 1982. The intention of this legislation is to identify industrial sites which have the potential to suffer a major accident which would impact on the neighbouring population. Such sites are defined by the hazards that exist on them, in some cases by the process in operation, but mainly by exceeding the defined threshold quantities of various categories of 'dangerous substances' in storage or use on the premises. It is the responsibility of the site to evaluate their hazards. Those which fall into the category of a major hazard site must produce a safety case which contains the evaluation of the hazards, an assessment of the consequences of the most serious credible incidents which can occur, both on and off site, and a description of the emergency plan which they have in place to deal with them. The safety case must be submitted to the national regulator, who acts on behalf of the local authority. The site is also expected to communicate the relevant aspects of its emergency plan to the local community. All BP Amoco sites in Europe are in compliance with the Seveso Directive as enacted in each specific country. The European Union has now adopted a revised Seveso Directive known as the Control of Major Accident Hazards Regulation, which came into force in February 1999. The main objective of this revision is to ensure that effective safety management systems are in place.

The European Commission is committed to issue in early 2000 a 'white (consultation) paper' on the scope for proposing a harmonized EU approach to liability for environmental damage. This follows a 'green (discussion) paper' in 1992 that focused on a strict liability approach.

The UK Offshore Safety Act 1992 came into force on March 6, 1992. Detailed implementation is through regulations made under existing health and safety legislation enforced by the UK Health and Safety Executive. The Offshore Installations (Safety Case) Regulations 1992 came into force in May 1993. BP Amoco submitted all safety cases by the required date of November 1993. This included 22 operational safety cases, all of which have been accepted, and two design safety cases on new installations. As part of the safety case, BP Amoco

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was required to justify continued operation and outline remedial measures identified as part of the risk assessment completed. Work on these remedial works was completed by the November 1995 deadline.

MANAGEMENT OF HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Group's world-wide HSE policy is developed within a framework set by BP Amoco p.l.c.'s board of directors. The policy is implemented through targets in the corporate and business performance contracts and programmes ranging from pollution prevention through safety management and product stewardship. Each part of the BP Amoco Group reviews its own performance and an assurance report is presented annually to the Group Chief Executive. The Ethics and Environment Assurance Committee of the board of directors, comprising six non-executive directors, reviews policies and processes which bear upon the Group's health, safety and environmental relationships.

ADDITIONAL FACTORS WHICH MAY AFFECT BUSINESS

In order to utilize the 'Safe Harbor' provisions of the United States Private Securities Litigation Reform Act of 1995, BP Amoco is providing the following cautionary statement. This document contains certain forward-looking statements with respect to the financial condition, results of operations and business of BP Amoco and certain of the plans and objectives of BP Amoco with respect to these items. These statements may generally, but not always, be identified by the use of words such as 'anticipates', 'should', 'expects', 'estimates', 'believes' or similar expressions. In particular, among other statements, (i) certain statements in Item 1 - Description of Business and Item 9 - Management's Discussion and Analysis of Financial Condition and Results of Operations with regard to management aims and objectives, planned expansion, investment or other projects, expected or targeted production volume, capacity or rate, the date or period in which production is scheduled or expected to come on stream or a project or action is scheduled or expected to be completed, and statements regarding the benefits of the merger with ARCO; and (ii) the statements in Item 9 - Management's Discussion and Analysis of Financial Condition and Results of Operations including the statements under 'Outlook' with regard to trends in results of operations, margins overall market trends, costs, dividends, returns, risk management and exchange rates, are forward-looking in nature. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and are outside the control of BP Amoco. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the specific factors identified in the discussions accompanying such forward-looking statements; future levels of industry product supply, demand and pricing; political stability and economic growth in relevant areas of the world; development and use of new technology and successful partnering; the actions of competitors, natural disasters and other changes to business conditions; and other factors discussed elsewhere in this report. In addition to factors set forth elsewhere in this report, the following are important factors, although not exhaustive, that may cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements.

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There is strong competition, both within the oil industry and with other industries, in supplying the fuel needs of commerce, industry and the home. The oil industry is also particularly subject to regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling obligations, environmental protection controls, control over the development and decommissioning of a field (including restrictions on production) and, possibly, nationalization, expropriation or cancellation of contract rights. The oil industry is also subject to the payment of royalties and taxation, which tend to

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be high compared with those payable in respect of other commercial activities.

Exploration and production require high levels of investment and have particular economic risks and opportunities. They are subject to natural hazards and other uncertainties including those relating to the physical characteristics of an oil or natural gas field.

Oil prices are subject to international supply and demand. Political developments (especially in the Middle East) and the outcome of meetings of OPEC can particularly affect world oil supply and oil prices. The refining industry is suffering from severe oversupply. Crude oil prices are generally set in dollars while sales of refined products may be in a variety of currencies. Fluctuation in exchange rates can therefore give rise to foreign exchange exposures.

Sectors of the chemicals industry are also subject to fluctuations in supply and demand within the chemicals market, with consequent effect on prices and profitability, and to governmental regulation and intervention in such matters as safety and environmental controls.

ITEM 2 -- DESCRIPTION OF PROPERTY

BP Amoco has freehold and leasehold interests in real estate in numerous countries throughout the world, but no one individual property is significant to the Group as a whole. See Item 1 -- Description of Business for a description of the Group's reserves and sources of crude oil and natural gas.

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ITEM 3 -- LEGAL PROCEEDINGS

Save as disclosed in the following paragraph, no member of the Group is a party to, and no property of a member of the Group is subject to, any pending legal proceedings which are significant to the Group.

Approximately 200 lawsuits were filed in State and Federal Courts in Alaska seeking compensatory and punitive damages arising out of the Exxon Valdez oil spill in Prince William Sound in March 1989. Most of those suits named Exxon (now ExxonMobil), Alyeska Pipeline Service Company (Alyeska), which operates the oil terminal at Valdez, and the other oil companies which own Alyeska. Alyeska initially responded to the spill until the response was taken over by Exxon. BP Amoco owns a 50% interest in Alyeska through a subsidiary of BP America Inc. Alyeska and its owners have settled all of the claims against them under these lawsuits. Exxon has indicated that it may file a claim for contribution against Alyeska for a portion of the costs and damages which it has incurred. If any claims are asserted by Exxon which affect Alyeska and its owners, BP Amoco would defend the claims vigorously.

The Internal Revenue Service (IRS) has challenged the application of certain foreign income taxes as credits against BP Amoco Corporation's US taxes that otherwise would have been payable for the years 1980 to 1992. On June 18, 1992, the IRS issued a statutory Notice of Deficiency for additional taxes in the amount of \$466 million, plus interest, relating to 1980 to 1982. BP Amoco filed a petition in the US Tax Court contesting the IRS statutory Notice of Deficiency. Trial on the matter was held in April 1995, and a decision was rendered by the US Tax Court in March 1996, in BP Amoco's favour. The IRS appealed the Tax Court's decision to the US Court of Appeals for the Seventh Circuit and on March 11, 1998, the Seventh Circuit affirmed the Tax Court's prior decision. A comparable adjustment of foreign tax credits for each year has been proposed for the years 1983 to 1992 based upon subsequent IRS audits. In November 1999, BP Amoco Corporation reached an agreement with the IRS that effectively resolves this issue at a minimal tax cost to the Company. On December 13, 1999 the parties filed a status report with the US Tax Court for the

years 1983-1989 advising the Court that a basis for settlement had been reached and that final calculations were in the process of being prepared. Once these calculations are finalized, the parties expect to file an agreed decision document for the Court's final approval, which will then conclude the litigation.

In February 1998, a jury in a Texas state court awarded compensatory and punitive damages in the aggregate amount of \$115 million to former employees of a steel company. The plaintiffs had alleged that they suffered injuries following their use of products containing asbestos, sold during 1965 to 1983 by Carborundum, a former subsidiary of BP America Inc. These proceedings have now been settled between the parties on the basis of an annulment of the court judgement. Other such claims will be defended vigorously.

In February 2000, the FTC filed a Complaint in the US District Court against BP Amoco and ARCO, seeking a preliminary injunction to prevent closing of the combination transaction between BP Amoco and ARCO. The Attorney Generals for the Western States also filed complaints with the same Court. The Attorney General for the State of Alaska also joined in the Court proceedings in support of the transaction. The parties agreed on March 15, 2000, to suspend the Court proceedings, pending discussions for a consent order.

In March 2000, ExxonMobil filed a Complaint in State Court, Los Angeles, seeking declaratory and injunctive relief and specific performance against BP Amoco, ARCO and Phillips to prevent the sale of ARCO's Alaskan business to Phillips referred to in Part 1 -- Recent Developments -- The Proposed Combination of BP Amoco and ARCO. ExxonMobil allege that the proposed sale to Phillips breaches ExxonMobil's prior preferential rights to purchase the interests subject to an agreement between predecessors of ARCO and predecessors of ExxonMobil dated September 23, 1964. BP Amoco believes that this action is without merit and will defend the claim vigorously.

ITEM 4 -- CONTROL OF REGISTRANT

The following table sets forth certain shareholding information as of March 24, 2000, concerning the directors and the secretary of BP Amoco p.l.c.

<TABLE> <CAPTION>			
Title of class	Identity of person or group	Number owned	Percent of
class			

<S>	<C>	<C>	<C>
Ordinary Shares of	Directors and the		
25 cents each	secretary of BP Amoco p.l.c.	5,478,669(a)	less than
1/10th of 1%			
</TABLE>			

(a) Includes the equivalent of 2,304,959 Ordinary Shares held by certain directors and the secretary in the form of ADSS.

There are no interests of more than 10% of the Company's Ordinary Shares, other than Morgan Guaranty Trust Company of New York as Depositary for Ordinary Shares underlying ADSS. See Item 5 -- Nature of Trading Market.

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ITEM 5 -- NATURE OF TRADING MARKET

The primary market for the Company's Ordinary Shares is the London Stock
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Exchange. The Company's Ordinary Shares are a constituent element of the Financial Times Stock Exchange 100 Index. The Company's Ordinary Shares are also traded on stock exchanges in France, Germany, Japan and Switzerland.

Trading of BP Amoco's shares on the LSE is primarily through the use of the Stock Exchange Electronic Trading Service (SETS), introduced in 1997 for the largest companies in terms of market capitalization whose primary listing is the LSE. Under SETS, buy and sell orders at specific prices may be sent to the exchange electronically by any firm which is a member of the LSE, on behalf of a client or on behalf of itself acting as a principal. The orders are then anonymously displayed in the order book. When there is a match on a 'buy' and a 'sell' order, the trade is executed and automatically reported to the LSE. Trading is continuous from 9:00 a.m. to 4:30 p.m. UK time, but in the event of a 20% movement in the share price either way the LSE may impose a temporary halt in the trading of that company's shares in the order book, to allow the market to re-establish equilibrium. Dealings in the Company's Ordinary Shares may also take place between an investor and a market-maker, via a member firm, outside the electronic order book.

In the United States and Canada the Company's securities are traded in the form of American Depositary Shares (ADSS), for which Morgan Guaranty Trust Company of New York is the depository (the Depository) and transfer agent. Each ADS represents six Ordinary Shares. ADSS are listed on the New York Stock Exchange, and are also traded on the Chicago, Pacific and Toronto Stock Exchanges.

The Ordinary Shares represented by ADSS issued pursuant to the merger between BP and Amoco were issued in bearer form at the time of the merger. As at March 24, 2000, 5,411,636,254 Ordinary Shares in bearer form are held by the Depository in London, with 32,507,346 Ordinary Shares being held by Boston Equiserve Limited, as exchange agent on behalf of Amoco shareholders that have yet to exchange their Amoco shares for BP Amoco ADSS.

With effect from 4 October 1999, BP Amoco subdivided (or split) its ordinary share capital. As a result, the number of ordinary shares held at the close of business on Friday October 1, 1999 doubled. This resulted in holders of ADSS receiving a two-for-one stock split. Therefore, for every ADS held before the stock split, a holder received an additional ADS.

The following table sets forth for the periods indicated the highest and lowest middle market quotations for the Ordinary Shares of The British Petroleum Company p.l.c. for 1997 and 1998, and of BP Amoco p.l.c. for 1999 and 2000. These are derived from the Daily Official List of the LSE, and the highest and lowest sales prices of ADSS as reported on the New York Stock Exchange composite tape. The information in this table has been restated to reflect the subdivision of Ordinary Shares on October 4, 1999.

<TABLE>
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American

Depository

(a)

Ordinary Shares Shares

Low

High Low High

(Pence)

(Dollars)

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<S>	<C>	<C>	<C>
1998: First quarter.....	466.75	373.00	48.00
36.88 Second quarter.....	484.25	415.50	48.66
41.44 Third quarter.....	455.00	368.50	45.88
36.50 Fourth quarter.....	478.25	407.50	47.69
40.72 1999: First quarter.....	539.50	411.00	52.66
40.19 Second quarter.....	595.50	504.75	57.69
47.00 Third quarter.....	642.50	532.50	61.16
52.50 Fourth quarter.....	643.50	538.00	62.63
51.38 2000: First quarter (through March 24)....	602.00	444.50	60.63
43.13 </TABLE>			

(a) An ADS is equivalent to six Ordinary Shares.

Market prices for the Ordinary Shares on the LSE and in after-hours trading off the LSE, in each case while the New York Stock Exchange is open, and the market prices for ADSS on the New York Stock Exchange and other North American stock exchanges, are closely related due to arbitrage among the various markets, although differences may exist from time to time due to various factors including UK stamp duty reserve tax. Trading in ADSS began on the LSE on August 3, 1987.

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On March 24, 2000, 921,098,875 ADSS (equivalent to 5,526,593,250 Ordinary Shares or some 28.4% of the total) were outstanding and were held by approximately 121,000 ADR holders. Of these, about 119,000 had registered addresses in the USA at that date.

On March 24, 2000 there were approximately 372,000 holders of record of Ordinary Shares. Of these holders, around 1,200 had registered addresses in the United States and held a total of some 3,662,000 Ordinary Shares. In addition, certain accounts of record with registered addresses other than in the United States hold Ordinary Shares, in whole or in part, beneficially for United States persons.

ITEM 6-- EXCHANGE CONTROLS AND OTHER LIMITATIONS AFFECTING SECURITY HOLDERS

There are currently no UK foreign exchange controls or restrictions on remittances of dividends on the Ordinary Shares or on the conduct of the Company's operations.

There are no limitations, either under the laws of the UK or under the Articles of Association of BP Amoco p.l.c., restricting the right of non-resident or foreign owners to hold or vote Ordinary or Preference Shares in the Company.

ITEM 7 -- TAXATION

The following summary of the principal UK and certain US tax consequences of ownership of ADSS or Ordinary Shares is based in part on representations of Morgan Guaranty Trust Company of New York as Depositary for the ADRs evidencing

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the ADSS and assumes that each obligation in the deposit agreement among the Company, the Depositary and the holders from time to time of ADRs and any related agreement will be performed in accordance with its terms.

Beneficial owners of ADSS who are resident in the USA are treated as the owners of the underlying Ordinary Shares for the purposes of the income tax convention between the USA and the UK (the Convention) and for the purposes of the US Internal Revenue Code of 1986, as amended (the Code). Unless otherwise stated, references to 'shareholders' or 'shareholder' below are to persons who are the beneficial owners of the underlying Ordinary Shares. It should be noted that the UK Inland Revenue is currently negotiating with the US Internal Revenue Service about updating and revising the Convention.

UK TAXATION OF DIVIDENDS

POSITION FOR DIVIDENDS PAID BEFORE APRIL 6, 1999

BP Amoco p.l.c. was required, when paying a cash dividend, to account to the UK Inland Revenue for a payment of advance corporation tax (ACT). The rate of ACT was 1/4 of the net dividend (equivalent to 20% of the combined dividend and ACT).

Under UK law, an individual shareholder resident in the UK for UK income tax purposes is treated as having taxable income equal to the sum of any dividend paid plus a tax credit equal (before April 6, 1999) to 1/4 of the amount of the net dividend. The tax credit was available to be set against the individual's tax liability on the dividend, and might in appropriate cases be refunded. A UK resident corporate shareholder will not generally be liable to UK corporation tax on any dividend received.

Under the Convention, a beneficial owner of the Company's shares who for the purposes of the Convention is not a US corporation owning directly or indirectly 10% or more of the Company's voting stock, and who is a resident of the USA and is not a resident of the UK (a US Holder) and whose holding of the Company's shares is not effectively connected with (i) a permanent establishment in the UK through which the US Holder carries on a business in the UK, or (ii) a fixed base from which the US Holder performs independent personal services in the UK, will generally be entitled to receive from the UK Inland Revenue, in addition to any dividend paid by the Company, an amount equal to the tax credit available to individual shareholders resident in the UK in respect of such dividend, less a withholding tax equal to 15% of the aggregate of such tax credit and such dividend (the Refund).

For example, a dividend of \$8.00 would entitle such a US Holder to receive a Refund of \$0.50 (a tax credit of \$2.00, less a withholding of \$1.50), giving a total net receipt, after UK taxes but before US taxes, of \$8.50.

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Special rules may apply under certain circumstances if the US Holder (a) is exempt from tax in the USA on dividends paid by the Company, or (b) is an investment or holding company, 25% of the capital of which is held directly or indirectly by one or more persons who are not individual residents or nationals of the USA and (i) which has imposed on it by the USA, in respect of the dividend, a tax substantially less than the tax generally imposed by the USA on corporate profits, or (ii) which receives more than 80% of its gross income from sources outside the USA as determined in accordance with the Convention. Special rules apply to a US Holder who owns 10% or more of the Ordinary Shares and to US corporate shareholders which directly or indirectly control, alone or with one or more associated corporations, at least 10% of the voting power of the Company or are residents of the UK.

Arrangements existed with the UK Inland Revenue under which a holder of

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ADRs resident in the USA that was (i) a US corporation whose business was not managed and controlled in the UK, (ii) an individual resident in the USA and not resident in the UK, or (iii) a trust or estate, all the beneficiaries of which were resident in the USA, would receive payment of the Refund to which such holder was entitled, together with payment of the associated cash dividend, provided that the holder was not subject to the special rules described in the preceding paragraph, completed the declaration on the reverse of the dividend check and presented the check for payment within three months from its date of issue. The holder had to declare, among other things, that he was neither engaged in business nor performing independent personal services through a permanent establishment or fixed base in the UK. These arrangements were terminated by the UK Inland Revenue with effect from April 6, 1999.

A US Holder who did not receive the Refund to which such US Holder is entitled must, in order to obtain payment, file in the manner and at the time described in Revenue Procedure 80-18, 1980-1 C.B. 623 (as modified by Revenue Procedure 81-58, 1981-2 C.B. 678 and Revenue Procedure 84-60, 1984-2 C.B. 504, clarified and amplified by Revenue Procedure 90-61, 1990-2 C.B. 657 and as recently modified by Revenue Procedure 2000-13, 2000-6 I.R.B. 515), a claim for payment identifying the dividends with respect to which the ACT was paid. The first claim by such a US Holder for a payment is made by sending the appropriate UK tax form in duplicate to Philadelphia Service Center, Foreign Certification Unit, P.O. Box 16347, DP535B, Philadelphia, PA19114. Forms may be obtained from the IRS Assistant Commissioner (International), 950 L'Enfant Plaza South, S.W., Washington, D.C. 20024. If the US Holder qualifies as a US resident, the Internal Revenue Service (IRS) will certify the form to that effect and forward it to the UK tax authorities. Claims must be made within six years of the end of the UK year of assessment (generally the 12-month period ending April 5 in each year) in which the related dividend was paid. As a claim is not considered made until the UK tax authorities receive the appropriate form from the IRS, forms should be sent to the IRS well before the end of the applicable limitation period. Any Refund claim by a US Holder after the first claim should be filed directly with the Financial Intermediaries and Claims Office (International), FitzRoy House, PO Box 46, Nottingham, NG2 1BD, England.

Whether shareholders who reside in countries other than the USA are entitled to the tax credit in respect of dividends on such shares depends in general upon the provisions of such conventions or agreements as may exist between such countries and the UK. In addition to that with the USA, conventions or agreements presently exist between the UK and, among other countries, Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Greece, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden and Switzerland.

POSITION FOR DIVIDENDS PAID ON OR AFTER APRIL 6, 1999

The Finance (No 2) Act 1997 introduced new legislation which significantly altered the tax treatment of dividends paid on or after April 6, 1999. As from that date the tax credit for an individual shareholder resident in the UK is reduced to 1/9 (or 10% of the net dividend plus the tax credit) of the amount of the net dividend. This tax credit continues to be available to set against the individual's tax liability on the dividend, but is no longer refundable to the individual.

For a US Holder as defined above this amendment has the effect of reducing the Refund available under the Convention to nil, since the amount of the withholding tax (at 15%) exceeds the 10% tax credit available to individual shareholders resident in the UK. Following the example given above, a dividend of \$8.00 will result in a net receipt after UK tax but before US tax of \$8.00, rather than \$8.50 (the withholding tax does not reduce the dividend below the net dividend of \$8.00).

The Finance Act 1998 also abolished the requirement for UK companies to pay

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ACT on cash dividends as from April 1, 1999. This does not affect the tax treatment of dividends described above.

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Dividends (including amounts in respect of the tax credit and any amounts withheld) must be included in gross income by a shareholder subject to US taxation and will generally be treated as foreign source 'passive income' or, in the case of certain US holders, 'financial services income' for Federal income tax purposes. Such dividends will generally not be eligible for the dividends received deduction allowed to US corporations. The IRS has recently confirmed, in Revenue Procedure 2000-13, 2000-6 I.R.B. 515, that, in the case of qualifying US holders, subject to certain limitations, the UK withholding tax as determined by the convention (i.e. an amount equal to 1/9 of the cash dividend) will be treated as a foreign income tax that is eligible for credit against the US holders' federal income tax. To qualify for such credit, US holders must make an election on Form 8833 (Treaty-Based Return Position Disclosure), which must be filed with their tax return, in addition to any other filings that may be required. At the end of the calendar year during which the dividends are paid, US holders will receive a Form 1099 confirming the amount of dividends received.

SHARE DIVIDEND CHOICE FOR BP AMOCO ADR HOLDERS

ADR holders electing to receive ADSS instead of a cash dividend (see Item 8 - -- Selected Financial Data -- Dividends) will not be entitled to any Refund from the UK Inland Revenue, nor will the 15% withholding tax apply, with respect to such dividends.

For US tax purposes the receipt of additional ADSS will be treated as a dividend distribution. An ADR holder who is subject to US taxation will generally be treated as having received gross income equal to the fair market value of the ADSS (or fraction thereof) on the date of the share distribution in London (with no reduction for the stamp duty reserve tax referred to below). The US resident ADR holder will receive a tax basis in the ADSS equal to such fair market value. Corporations will not be entitled to a dividends received deduction on receipt of a share dividend.

FOREIGN INCOME DIVIDENDS

The Finance Act 1994 introduced new legislation under which companies were able on or after July 1, 1994 to elect to pay a 'foreign income dividend' with special tax treatment. ACT would be payable by the Company on such a dividend, but surplus ACT not creditable against mainstream corporation tax liabilities may be repayable to the Company later, based on the extent to which the dividend was shown to have been paid out of sufficiently taxed foreign source profits. Shareholders would obtain no tax credit. However, they would be treated for UK tax purposes as having received income which had suffered tax at 20%. No Refund would be available to US Holders in respect of any such dividends. BP Amoco did not elect to pay a foreign income dividend.

The Finance (No. 2) Act 1997 repealed the foreign income dividend legislation with effect from April 6, 1999.

UK TAXATION OF CAPITAL GAINS

A US Holder will be liable to UK tax on capital gains realized on the sale or other disposition of Ordinary Shares only if the US Holder is resident (or, in the case of an individual, ordinarily resident) for UK tax purposes in the UK or if he carries on a trade, profession or vocation in the UK through a permanent establishment and the Ordinary Shares are (i) used for the purposes of the trade, profession or vocation, or (ii) used, held or acquired for the purposes of the permanent establishment.

The liability to UK capital gains tax for US holders of ADRs is the same as that for a US holder of Ordinary Shares, except that a US holder of ADRs who is resident but not domiciled in the UK will not be taxed on gains realized on the sale or other disposition of ADSS if the proceeds are not remitted to the UK.

UK INHERITANCE TAX

UK capital transfer tax was restructured and renamed 'inheritance tax' in 1986. The US-UK double taxation convention relating to estate and gift taxes (the Estate Tax Convention) applies to inheritance tax. ADRs held by an individual who is domiciled for the purposes of the Estate Tax Convention in the USA and is not for the purposes of the Estate Tax Convention a national of the UK will not be subject to inheritance tax on death or on transfer during the individual's lifetime unless, among other things, the ADSS are part of the business property of a permanent establishment situated in the UK or pertain to a fixed base situated in the UK used for the performance of independent personal services. In the exceptional case where ADSS are subject both to inheritance tax and to US Federal gift or estate tax, the Estate Tax Convention generally provides for tax paid in the UK to be credited against tax payable in the USA or for tax paid in the USA to be credited against tax payable in the UK based on priority rules set forth in the Estate Tax Convention.

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UK STAMP DUTY AND STAMP DUTY RESERVE TAX

The statements below relate to what is understood to be the current practice of the UK Inland Revenue under existing law.

Provided that the instrument of transfer is not executed in the UK and remains at all times outside the UK, and the transfer does not relate to any matter or thing done or to be done in the UK, no UK stamp duty is payable on the acquisition or transfer of ADSS. Neither will an agreement to transfer ADSS in the form of ADRs give rise to a liability to stamp duty reserve tax.

Purchases of Ordinary Shares, as opposed to ADSS, through the CREST system of paperless share transfers will be subject to stamp duty reserve tax at a rate of 0.5%. The charge will arise as soon as there is an agreement for the transfer of the shares (or, in the case of a conditional agreement, when the condition is fulfilled). The stamp duty reserve tax will apply to agreements to transfer Ordinary Shares even if the agreement is made outside the UK between two non-residents. Purchases of Ordinary Shares outside the CREST system are subject either to stamp duty at a rate of 50 pence per £100 (or part), or stamp duty reserve tax at 0.5%. Stamp duty and stamp duty reserve tax are generally the liability of the purchaser. A subsequent transfer of Ordinary Shares to the Depository's nominee will give rise to further stamp duty at the rate of £1.50 per £100 (or part) or stamp duty reserve tax at the rate of 1.5% of the value of the Ordinary Shares at the time of the transfer.

A transfer of the underlying Ordinary Shares to an ADR holder upon cancellation of the ADSS without transfer of beneficial ownership will give rise to UK stamp duty at the rate of 50 pence per transfer (which is increased to £5 in the 1999 UK budget).

An ADR holder electing to receive ADSS instead of a cash dividend will be responsible for the stamp duty reserve tax due on issue of shares to the Depository's nominee and calculated at the rate of 1.5% on the issue price of the shares. Current UK Inland Revenue practice is to calculate the issue price by reference to the total cash receipt (i.e. cash dividend plus the Refund if any) to which a US Holder would have been entitled had the election to receive ADSS instead of a cash dividend not been made. ADR holders electing to receive ADSS instead of the cash dividend authorize the Depository to sell sufficient shares to cover this liability.

SUMMARIZED FINANCIAL INFORMATION

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		Years ended December 31,			
		1999	1998	1997	1996
		(\$ million except per share amounts)			
UK GAAP					
INCOME STATEMENT DATA					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Turnover.....	101,180	83,732	108,564	102,064	
84,216					
Less: joint ventures.....	(17,614)	(15,428)	(16,804)	--	
--					
Group turnover.....	83,566	68,304	91,760	102,064	
84,216					
Total replacement cost operating profit(a)	8,894	6,521	10,683	10,634	
8,264					
Replacement cost profit before					
exceptional items (b).....	5,330	3,959	6,622	6,659	
4,943					
Profit for the year.....	5,008	3,220	5,673	7,417	
3,700					
Per Ordinary Share (c): (cents)					
Profit for the year:					
Basic.....	25.82	16.77	29.56	38.79	
19.52					
Diluted.....	25.68	16.70	29.41	38.63	
19.45					
Dividends (d).....	20.0	19.8	18.0	15.5	
13.5					
BALANCE SHEET DATA					
Total assets.....	89,561	84,915	86,279	88,651	
81,499					
BP Amoco Shareholders' interest.....	43,281	42,501	42,503	42,130	
36,789					
Finance debt due after more than one year	9,644	9,641	8,853	8,954	
10,257					
Debt to borrowed and invested capital (e)	18%	18%	17%	17%	
22%					
OTHER DATA					

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Per Ordinary Share: (cents)

Replacement cost profit before exceptional items.....	27.48	20.62	34.51	34.82
26.09				
Net cash inflow from operating activities(f).....	10,290	9,586	15,558	13,679
12,682				
Net cash outflow from capital expenditure acquisitions and disposals.....	5,142	6,520	10,056	8,056
7,183				
US GAAP				
INCOME STATEMENT DATA				
Revenues.....	83,566	68,304	91,760	102,064
84,216				
Profit for the period.....	4,596	2,826	5,686	6,795
3,991				
Comprehensive income.....	3,674	2,848	4,106	7,218
4,346				
Profit per Ordinary Share(c)(g):(cents)				
Basic.....	23.70	14.72	29.62	35.54
21.05				
Diluted.....	23.56	14.66	29.46	35.39
20.98				
Profit per American Depositary Share(c)(g)(h):(cents)				
Basic.....	142.20	88.32	177.72	213.24
126.30				
Diluted.....	141.36	87.96	176.76	212.34
125.88				
BALANCE SHEET DATA				
Total assets.....	90,342	85,538	87,076	89,934
89,929				
BP Amoco Shareholders' interest.....	37,838	37,334	37,504	37,259
32,475				
OTHER DATA				
Net cash used in investing activities.	4,922	6,861	10,151	8,311
7,160				
Net cash used in financing activities.	3,332	2,161	3,449	3,239
3,723				

</TABLE>

- (a) Operating profit is a UK GAAP measure of trading performance. It excludes profits and losses on the sale of businesses and fixed assets and fundamental restructuring costs, interest expense and taxation.

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BP Amoco determines operating profit on a replacement cost basis, which eliminates the effect of inventory holding gains and losses. For the oil and gas industry, the price of crude oil can vary significantly from period to period; hence the value of crude oil (and products) also varies. As a consequence, the amount that would be charged to cost of sales on a first-in, first-out (FIFO) basis of inventory valuation would include the effect of oil price fluctuations on oil and products inventories. BP Amoco therefore charges cost of sales with the average cost of supplies incurred during the period rather than the historical cost of supplies on a FIFO basis. For this purpose, inventories at the beginning and end of the period are valued at the average cost of supplies incurred during the period rather than at their historical cost. These valuations are made quarterly by each business unit, based on local oil and product price indices applicable to their specific inventory holdings, following a methodology that has been consistently applied by BP Amoco for many years. Operating profit on the replacement cost basis is used by BP Amoco

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management as the primary measure of business unit trading performance and BP Amoco management believes that this measure assists investors to assess BP Amoco's underlying trading performance from period to period.

Replacement cost is not a US GAAP measure. The major US oil companies apply the last-in, first-out (LIFO) basis of inventory valuation. The LIFO basis is not permitted under UK GAAP. The LIFO basis eliminates the effect of price fluctuations on crude oil and product inventory except where an inventory drawdown occurs in a period. BP Amoco management believes that where inventory volumes remain constant or increase in a period, operating profit on the LIFO basis will not differ materially from operating profit on BP Amoco's replacement cost basis.

Where an inventory drawdown occurs in a period, cost of sales on a LIFO basis will be charged with the historical cost of the inventory drawn down, whereas BP Amoco's replacement cost basis charges cost of sales at the average cost of supplies for the period. To the extent that the historical cost on the LIFO basis of the inventory drawn down is lower than the current cost of supplies in the period, operating profit on the LIFO basis will be greater than operating profit on BP Amoco's replacement cost basis. To the extent that the historical cost on the LIFO basis of the inventory drawdown is greater than the current cost of supplies in the period, operating profit on the LIFO basis will be lower than operating profit on BP Amoco's replacement cost basis.

- (b) Replacement cost profit before exceptional items excludes profits and losses on the sale of businesses and fixed assets and fundamental restructuring costs, which are defined by UK GAAP. This is the measure of profit used by the BP Amoco board in setting targets for and monitoring performance within BP Amoco. BP Amoco's management believes this indicator provides the most relevant and useful measure for investors because it most accurately reflects underlying trading performance.
- (c) With effect from October 4, 1999 BP Amoco split (or subdivided) its ordinary share capital. As a result, the number of Ordinary Shares held at the close of business on Friday October 1, 1999, doubled, and holders of ADSs received a two-for-one stock split. Comparative figures for 1995 to 1998 inclusive have been restated accordingly.
- (d) BP Amoco dividends per share represent historical dividends per share paid by BP for 1995 to 1998 inclusive.
- (e) Finance debt due after more than one year, compared with such debt plus BP Amoco and minority shareholders' interests.
- (f) The net cash inflows from operating activities are presented in accordance with the requirements of Financial Reporting Standard No. 1 (Revised 1996) issued by the UK Accounting Standards Board. For a cash flow statement prepared on a US GAAP basis see Item 18 -- Note 44 of Notes to Financial Statements.
- (g) FASB Statement of Financial Accounting Standards No. 128-- 'Earnings per Share' (SFAS 128) was adopted for the accounting period ending December 31, 1997. Amounts for prior periods have been restated as required by SFAS 128.
- (h) With effect from June 6, 1997 the Company split existing ADSs on a two-for-one basis so that an ADS is now equivalent to six Ordinary Shares. Comparative figures for 1995 and 1996 have been restated accordingly.
- (i) The Group has adopted Financial Reporting Standard No.12 'Provisions, Contingent Liabilities and Contingent Assets' with effect from January 1, 1999. Comparative figures for 1995 to 1998 inclusive have been restated accordingly.

<PAGE>

DIVIDENDS

BP p.l.c. paid dividends on its Ordinary Shares in each year since 1917. In 1999, there was a dividend payment in February to holders of BP p.l.c. Ordinary Shares and ADSs as at November 13, 1998. There were further dividend payments in April, June, September and December to harmonize payment dates for former BP and Amoco shareholders. In 2000 and thereafter, dividends will be paid quarterly in March, June, September and December. Until their shares have been exchanged into the form of BP Amoco ADSs, Amoco Shareholders do not have the right to receive dividends.

BP Amoco announces dividends on Ordinary Shares in US dollars and at the same time states an equivalent sterling dividend. Prior to the fourth quarterly dividend of 1998 BP p.l.c. announced dividends in sterling. Foreign exchange rates may affect dividends paid. However, when setting the dividend the directors are mindful of dividend fluctuation in sterling terms.

The following table shows dividends announced by the Company per ADS for each of the past five years, together with the Refund but before deduction of withholding taxes as described in Item 7 -- Taxation. Dividends have been translated from pounds per ADS up to and including the third quarterly dividend for 1998, and from dollars per ADS for the fourth quarterly dividend of 1998, at an exchange rate in London on the business day last preceding the day when the directors announced their intention to pay the quarterly dividends for those years.

DIVIDENDS PER AMERICAN DEPOSITARY SHARE (a)(b)

<TABLE>

<CAPTION>

		Quarterly			
		First	Second	Third	Fourth
Total		-----	-----	-----	-----
<S>		<C>	<C>	<C>	<C>
<C>					
1995.....	UK pence	11.3	15.0	15.0	15.9
57.2	US cents	18.0	24.1	23.7	24.4
90.2	Can. cents	24.4	32.6	32.0	33.5
122.5					
1996.....	UK pence	15.9	18.8	18.8	19.7
73.2	US cents	23.9	28.9	30.9	32.2
115.9	Can. cents	32.6	39.8	41.3	43.5
157.2					
1997.....	UK pence	19.7	20.6	20.7	21.5
82.5	US cents	31.9	33.6	34.6	35.3
135.4	Can. cents	44.1	46.4	48.6	50.5
189.6					
1998.....	UK pence	21.5	22.5	22.5	23.0
89.5	US cents	36.0	36.5	37.5	33.4
143.4					

2000-03 BP Annual Rpt (20F) for 1999.txt

214.5	Can. cents	51.4	55.3	57.8	50.0
1999.....	UK pence	20.5	20.8	20.2	20.8
82.3	US cents	33.3	33.3	33.3	33.4
133.3	Can. cents	48.7	50.1	48.6	48.5
195.9					

</TABLE>

- (a) With effect from June 6, 1997 the Company split existing ADSS on a two-for-one basis so that an ADS is now equivalent to six Ordinary Shares. Comparative figures for 1995 and 1996 have been restated accordingly.
- (b) With effect from October 4, 1999 BP Amoco split (or subdivided) its ordinary share capital. As a result, the number of Ordinary Shares held at the close of business on Friday October 1, 1999, doubled, and holders of ADSS received a two-for-one stock split. Comparative figures for 1995 to 1998 inclusive have been restated accordingly

The share dividend plan whereby holders of Ordinary Shares could elect to receive new shares (out of unissued share capital) instead of cash dividends at a rate equivalent to the sum of the net cash dividend and related tax credit, was withdrawn following the third quarterly 1998 dividend.

A dividend reinvestment plan was introduced with effect from the fourth quarterly 1998 dividend, whereby holders of Ordinary Shares can elect to reinvest the net cash dividend in shares purchased on the London Stock Exchange. This plan is not available to any person resident in the USA or Canada, or in any jurisdiction outside the UK where such an offer requires compliance by the Company with any governmental or regulatory procedures or any similar formalities.

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A dividend reinvestment plan is, however, available for holders of ADSS through Morgan Guaranty Trust Company of New York.

Future dividends of BP Amoco p.l.c. will be dependent upon future earnings, the financial condition of the Group, the Additional Factors which may affect the business of the Group set out in Item 1 -- Description of Business, and other factors.

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ITEM 9 -- MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

GROUP RESULTS

<TABLE>

<CAPTION>

Years ended

December 31,

HIGHLIGHTS
1997

1999 1998

2000-03 BP Annual Rpt (20F) for 1999.txt

<S>	<C>	<C>	<C>
<C>			
Total replacement cost operating profit..... (\$ million)	8,894	6,521	
10,683			
Replacement cost profit before exceptional items.. (\$ million)	5,330	3,959	
6,622			
Replacement cost profit for the year..... (\$ million)	3,280	4,611	
6,612			
Historical cost profit for the year..... (\$ million)	5,008	3,220	
5,673			
Profit per Ordinary Share (diluted)..... (cents)	25.68	16.70	
29.41			
Dividends per Ordinary Share..... (cents)	20.0	19.8	
18.0			
</TABLE>			

The Group has adopted Financial Reporting Standard No.12 'Provisions, Contingent Liabilities and Contingent Assets' with effect from January 1,1999. Comparative figures for 1998 and 1997 have been restated accordingly.

BP Amoco's 1999 operating performance reflected the substantial benefits of restructuring and integration following the merger, together with ongoing cost control. The trading environment was broadly neutral, with higher average oil prices substantially offset by weaker downstream and chemicals margins. European currencies were significantly weaker and sterling was marginally weaker against the US dollar in 1999.

As well as reporting net income (profit after inventory holding gains and losses, calculated on a first-in, first-out basis), and after exceptional items (as defined by UK GAAP: profits and losses on sale and termination and fundamental restructuring costs), BP Amoco also reports results on a replacement cost basis (excluding inventory holding gains and losses) and before exceptional items. In addition the Group discloses the amount and nature of special items which are non-recurring charges and credits that are not classified as exceptional items under UK GAAP, and discloses also replacement cost profit before exceptional items, after adjusting for these special items. This is done in order to provide a more comparable basis to the results and disclosures of US companies and to indicate underlying trading performance undistorted by significant restructuring, integration and other one-off charges and credits. Both exceptional and special charges have been significant in 1999. The discussion below addresses each of these various measures and disclosures.

In 1999, replacement cost profit before exceptional items (which excludes inventory holding gains and losses) was \$5,330 million compared with \$3,959 million in 1998, representing an increase of 35%. In addition to exceptional items (as identified under UK GAAP), these results included net special charges of \$1,210 million (\$876 million after tax) in 1999 and \$597 million (\$469 million after tax) in 1998. The major components of the special charges in 1999 were integration costs, costs associated with the restructuring programme, write-downs in respect of asset impairments and project costs in respect of process improvement and outsourcing. The special charges in 1998 consisted principally of write-downs in respect of asset impairments. After adjusting for these special charges, the 1999 result was 40% higher than that of 1998. The return on average capital employed, based on replacement cost profit before exceptional items, was 12% (13% on an adjusted basis) representing an increase of three percentage points over 1998. The historical cost profit for 1999 was \$5,008 million including inventory holding gains of \$1,728 million. This compared with a profit of \$3,220 million in 1998 after inventory holding losses of \$1,391 million. There were net exceptional losses of \$2,280 million (\$2,050 million after tax) in 1999 compared with net exceptional profits in 1998 of \$850 million (\$652 million after tax).

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In 1999 the net exceptional losses of \$2,280 million before tax comprised restructuring costs of \$1,943 million and a net loss on sales of businesses and fixed assets or termination of operations of \$337 million. The restructuring costs arose from restructuring activity across the Group following the merger of BP and Amoco at the end of 1998 and relate predominantly to the Group's US operations. The main areas of activity were the elimination of duplication in the former BP and Amoco operations and ongoing restructuring to adapt to the changing business environment, and some further outsourcing. The major elements of the restructuring charges comprised employee severance costs (\$1,212 million) and provisions to cover future rental payments on surplus leasehold office accommodation and other property (\$297 million). Also included in the restructuring charges were office closure costs, contract termination payments and asset write-offs. The cash outflow for these restructuring charges during 1999 was \$976 million.

During 1999, some 16,000 employees left the Group through severance or outsourcing arrangements. Of these, some 13,000 were based in the USA. The reductions arose mainly in Houston, Texas; Chicago, Illinois; and Cleveland and Warrensville, Ohio. Approximately 4,000 more employees had received notification of the termination of their employment by the end of 1999 and are expected to leave the Group in 2000.

Sales of businesses and fixed assets in 1999 included the sale of distribution terminals and service stations in the USA mandated by the Federal Trade Commission in connection with the BP Amoco merger. Following completion of the merger on December 31, 1998 and in the context of low oil prices at the time, BP Amoco undertook a strategic and portfolio review in early 1999. This was completed in the Spring of 1999 and resulted, among other things, in the development of an asset divestment programme.

The guiding principle of the strategic and portfolio review was to concentrate the combined Group's operations on areas of competitive strength and, in the upstream portfolio, to dispose of assets which would not be robustly economic on the basis of conservative assumptions about future oil prices. Under this programme the Group disposed of its Canadian oil properties, its interest in the Pedernales oil field in Venezuela and certain chemicals operations.

In 1998, financial performance was affected by general price deflation and erosion of margins, with a 34% fall in average oil realizations and deterioration in both the downstream and chemicals environments. Productivity improvements, cost savings and higher sales volumes partially offset this significant downturn in the operating environment.

The US dollar was relatively stable against European currencies in 1998. In 1997 most currencies declined against the dollar, except for sterling which strengthened to an average of \$1.64/L1 from \$1.56/L1 in 1996.

Replacement cost profit before exceptional items (which excludes inventory holding gains and losses) for 1998 was \$3,959 million compared with \$6,622 million in 1997, a fall of 40%. In addition to exceptional items these results included net special charges of \$597 million (\$469 million after tax) in 1998 and \$133 million (\$106 million after tax) in 1997. The special charges in both years consisted principally of write-downs in respect of asset impairments. After excluding these special charges, the 1998 result was 34% lower than that of 1997. The 1998 results reflected the then new requirement to capitalize certain information technology expenditure of a type which had been expensed in previous years. The amount capitalized in 1998 was some \$160 million. The return on average capital employed, based on replacement cost profit before exceptional items, was 9% compared to 14% in 1997. On an adjusted basis the return on average capital employed was 10% in 1998 compared to 14% in 1997.

The historical cost profit for 1998 was \$3,220 million after inventory holding losses of \$1,391 million. This compared with a profit of \$5,673 million after inventory holding losses of \$939 million for 1997. The results for 1998 included net exceptional profits of \$850 million (\$652 million after tax); those of 1997 included net exceptional profits of \$128 million (\$10 million loss after tax).

In 1998 sales of businesses and fixed assets generated net profits before tax of \$1,048 million. The principal sales were exploration and production properties in the USA and Papua New Guinea, the refinery in Lima, Ohio, the sale and leaseback of the Amoco building in Chicago, Illinois, the retail network in the Czech Republic, the Adibis fuel additives business and a speciality chemicals distribution business. Also included was the disposal by the BP/Mobil joint venture of its retail network in Belgium. Merger transaction costs of \$198 million in respect of advisers' fees and expenses were incurred in 1998.

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The major elements of the net profit before tax on the sale of businesses and fixed assets in 1997 of \$440 million were the sales of US exploration and production properties and an intrastate natural gas pipeline unit in Texas. The loss on sale of businesses by joint ventures relates principally to the costs of the BP/Mobil joint venture terminating base oil manufacturing operations at Llandarcy in the UK. Also in 1997, there was a net charge for refinery network rationalization of \$47 million which represented the balance of the costs associated with the rationalization of the BP Amoco Group's international refining system announced in 1995. In addition, there were one-off costs associated with the setting-up of the European refining and marketing joint venture with Mobil amounting to \$265 million. These costs represented the Group's share of charges for severance, restructuring, rebranding and other implementation charges.

Capital expenditure and acquisitions in 1999 amounted to \$7,345 million, 29% down on 1998, reflecting greater focus in the capital programme following the merger. Expenditure in 1999 included \$400 million in respect of the Group's purchase of a significant part of Repsol YPF's share of assets in the Crescendo Resources partnership. Disposal proceeds, arising primarily from the post-merger asset divestment programme, amounted to \$2,441 million. Capital expenditure net of divestments was \$4,904 million (1998 \$8,195 million). Within the context of the Group's targets, capital expenditure in 2000 is projected to be around \$10 billion, excluding significant acquisitions, reflecting the businesses' growth agenda underpinned by continuing discipline in the capital programme.

The total dividends announced for 1999 were \$3,884 million, against \$4,121 million for 1998. 1998 dividends included a second fourth-quarterly dividend to former Amoco shareholders to harmonize timing of quarterly dividend payments as a result of the merger. Dividends per share for 1999 were 20.0 cents (\$1.20 per ADS) compared with 19.8 cents per share (\$1.19 per ADS) for 1998. The Group also intends to continue the operation of the Dividend Reinvestment Plan (DRIP) for shareholders who wish to receive their dividend in the form of shares rather than cash. The DRIP was introduced in 1999 to replace the previous share dividend plan which was terminated owing to the abolition of UK advance corporation tax. The BP Amoco Direct Access Plan for US and Canadian investors also includes a dividend reinvestment feature.

The Group will seek authority from shareholders at the April 2000 annual general meeting for the repurchase and cancellation of shares up to a maximum of 1,948,600,000 Ordinary Shares (approximately 10% of the ordinary issued share capital at December 31, 1999). This will allow share buybacks as and when the Group's funding position permits.

BUSINESS OPERATING RESULTS

Total replacement cost operating profit, which is arrived at before inventory holding gains and losses, interest expense, taxation and minority interests, and before exceptional items, was \$8,894 million in 1999, \$6,521 million in 1998 and \$10,683 million in 1997. The business results which follow are presented on this basis.

EXPLORATION AND PRODUCTION

<TABLE>
<CAPTION>

ended December 31,		Years
1998	1997	1999
-----		----
<S>		<C>
<C>	<C>	<C>
Total replacement cost operating profit.....		(\$ million) 7,194
3,231	7,385	
Results included:		
Exploration expense.....		(\$ million) 548
921	962	
Key statistics:		
Average prices realized by BP Amoco : North Sea.....		(\$/bbl) 17.6
12.7	19.1	
: Alaskan North Slope (\$/bbl)		16.1
12.6	19.0	
: US natural gas... (\$/mcf)		2.1
1.8	2.2	
Crude oil production (a).....		(mb/d) 2,061
2,049	1,930	
Natural gas production (a).....		(mmcf/d) 6,067
5,808	5,858	
Total production (a)(b).....		(mboe/d) 3,107
3,050	2,940	

</TABLE>

(a) Includes BP Amoco's share of associated undertakings.

(b) Expressed in thousands of barrels of oil equivalent per day (mboe/d). Natural gas is converted to oil equivalent at 5.8 billion cubic feet : 1 million barrels.

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The replacement cost operating profit for 1999 was \$7,194, an improvement of 123% over the equivalent result of 1998. After adjusting for special charges of \$299 million, the adjusted result of \$7,493 million represented an increase of 102% on the adjusted result of \$3,716 million for 1998. Special charges in 1998 amounted to \$485 million. Oil realizations were \$4.68 a barrel higher and North American natural gas prices were 13% above their 1998 level. These environmental benefits were significantly complemented by cost savings.

Oil production increased slightly compared with 1998, with rising output in the Eastern Trough Area Project (ETAP) in the North Sea and at Schiehallion and Foinaven, west of Shetland, more than offsetting declines in Alaska and in the more mature North Sea fields, and the effect of the sale of our Canadian oil

interests. Natural gas production increased 4.5% to just over 6 bcf/d following the start-up of a \$1-billion liquefied natural gas plant in Trinidad.

In 1999, finding and development costs averaged \$3.3 a barrel of oil equivalent, representing a substantial reduction on the \$4.70 per barrel in 1998. Lifting costs averaged \$2.7 a barrel of oil equivalent, compared with \$3.2 in 1998.

In 1998 our upstream business performed well in a most difficult environment. Replacement cost operating profit of \$3,231 million, represented a decline of 56% (50% after adjusting for net special charges) compared with 1997. Brent North Sea oil averaged \$6.4 a barrel below the 1997 level while North American natural gas prices were some 40 cents per thousand cubic feet below the 1997 average. The special charges of \$485 million principally comprised \$200 million for the write-down of the Group's investment in A O Sidanco and \$104 million for the impairment of the Opon field and \$110 million for the adjacent power plant in Colombia.

Increased production volumes, coupled with a sustained focus on costs, boosted this performance. Production grew 3.7% to 3,050 mboe/d. Production of oil, condensate and natural gas liquid increased by 6.2% to 2,049 thousand barrels a day (mb/d) from 1,930 mb/d in 1997, while natural gas production fell 0.9% to 5,808 million standard cubic feet a day (mmcf/d) from 5,858 mmcf/d because of the decline at older UK offshore fields.

The production growth in 1998 was supported by strong performance from our 1997 start-ups, and completion of a large number of new projects in 1998. These included ETAP, Viking Phoenix, Brown and Bruce Phase 2 in the North Sea; Schiehallion and Loyal, west of Shetland; Hugoton natural gas plant in the USA; the second phase of development of the Cusiana/Cupiagua project in Colombia; and Pedernales phase 2 in Venezuela. Start-up of these projects contributed towards the transfer of 1.38 billion barrels of oil equivalent of reserves to developed status.

In 1999, Exploration and Production's reserves replacement exceeded production for the sixth consecutive year, with 1,172 million barrels of oil equivalent added to proved reserves. The proportion of gas in these reserve additions was similar to that of 1998 at about 66%.

Technological innovation underpinned our most significant exploration achievement in 1999 - the discovery of the largest deepwater field so far found in the Gulf of Mexico, the Crazy Horse field, in which the Group holds a 75% interest. Finding this field involved drilling through 1,800 metres (6,000 feet) of water and more than 600 metres (2,000 feet) of salt to a record depth of 7,830 metres (25,770 feet).

Crazy Horse was only one of a number of major finds in 1999. In the Gulf of Mexico we announced the discovery of three other fields - Holstein, Atlantis and Mad Dog. In Angola our exploration success continued with eight new discoveries. Elsewhere there were large natural gas finds in Azerbaijan's offshore waters and in Australia's North West Shelf. In December 1999, a consortium, in which BP Amoco has a 35% interest, announced that it had been awarded a deep water concession offshore Brazil, the BFZ-2 block. This will be BP Amoco's second operatorship in the area.

Also in December 1999, BP Amoco and Repsol YPF dissolved their partnership, Crescendo Resources, a major gas producer and processor in Texas and Oklahoma, USA. Subsequently, BP Amoco purchased a significant part of Repsol YPF's share of the assets from the partnership.

in Angola continued with new finds in Kissanje, Marimba, Hungo and Dikanza in Block 15. In South America, there was a successful discovery at the Tropical-1X well on the Quiriquire block in Venezuela, in which we have a 45% stake. In Norway, the Barden well confirmed significant natural gas reserves in the Southern extension of the Ormen Lange Dome. Other substantial oil and natural gas discoveries were made off the coast of Trinidad and in Egypt, Canada and the USA.

Capital expenditure and acquisitions decreased to \$4,212 million in 1999 from \$6,318 million in 1998.

In 2000, projects coming on stream are expected to include Amherstia in Trinidad and Ha'py and Baltim in Egypt. In addition, there should be a full year's production from new developments in the deepwater Gulf of Mexico.

REFINING AND MARKETING

<TABLE>
<CAPTION>

		Years ended December	
31,			

1997(a)		1999(a)	1998(a)
-----		----	----
<S>		<C>	<C>
Total replacement cost operating profit.....	(\$ million)	1,840	2,564
2,292			
Indicative industry global refining margin....			
1.81	(\$/bbl)	0.91	1.74
Refinery throughputs.....	(mb/d)	2,522	2,698
2,855			
Total marketing sales	(mb/d)	3,186	3,137
3,083			
</TABLE>			

(a) Includes BP Amoco's share of the BP/Mobil joint venture.

In 1999, Refining and Marketing achieved a highly competitive adjusted return (i.e. before special charges) on fixed assets of 10% despite plummeting margins in refining, which fell by 48% compared with the previous year. Replacement cost operating profit of \$1,840 million represented a decrease of 28% compared with 1998. After adjusting to exclude special charges of \$242 million, Refining and Marketing's replacement cost operating profit was \$2,082 million a decrease of 19% compared with 1998, reflecting the rise in the price of crude oil and refined products and consequent tightening of margins. The deterioration in the refining environment led to run cuts at a number of refineries. The pressure on marketing margins reflected rising product prices which could not be fully recovered in the market. Significant cost reductions moderated the effect of the harsher trading environment.

Retail volumes rose while shop revenues grew faster than the market at 6%, reflecting the strength of our convenience retail business in the USA and UK. More than 170 new retail sites were opened worldwide during the year, with 90 opened in Poland, China, Venezuela and Russia. Growth in our aviation business was strong, and Air BP was recognized as the world's Best Jet Fuel Marketer by an authoritative industry survey.

1998 was a year of strong performance for the downstream business. Underlying performance delivered total replacement cost operating profit of \$2,564 million, an increase of 12% over 1997, with a competitive return on fixed assets of 12%. This outcome was achieved in spite of difficult trading conditions, characterized by reduced refining margins in the second half of the year and the impact of economic slowdown in our growth markets. 1998 also benefited from the capitalization of IT expenditure of \$70 million which would have been expensed in earlier periods.

Marketing volumes rose in 1998 in spite of divestments across both the retail and commercial segments, with continued improvement flowing from our US and European operations. The retail business grew during the year, with volumes up 3%. The focus on growing our convenience retailing activity as one of our key strategic objectives continued. The 'Split Second' US convenience store format was rolled out in Atlanta, Georgia; Philadelphia, Pennsylvania; Chicago, Illinois; Denver, Colorado and south Florida, with high customer satisfaction ratings. Our commercial marketing activities continued to deliver strong growth in income with the drive towards customer-focused marketing solutions.

In 1998, despite lower overall margins our refining business achieved good results. A combination of cost savings and improved operating efficiency produced a 12% improvement in total replacement cost operating profit compared with 1997.

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Capital expenditure in 1999 was \$1,634 million compared with \$1,937 million in 1998. The Group's capital expenditure on refinery assets, including environmental expenditures and investments in line with regulatory requirements to improve product quality, totalled \$607 million in 1999 compared with \$685 million in 1998. During the year we completed the repositioning of our Toledo refinery (to allow it to run on cheaper, heavy crudes) with the commissioning of a new coker unit and we began a project at Sines, Portugal, to develop a liquefied petroleum gas storage cavern facility. During the year we also began to upgrade our Bulwer Island refinery near Brisbane, Australia, to allow it to produce low sulphur fuels. This was one of a number of initiatives undertaken as part of our drive for cleaner fuels. Capital expenditure on marketing assets amounted to \$1,027 million in 1999 compared with \$1,252 million in the previous year.

In December 1999, we announced that BP Amoco had agreed with ExxonMobil Corporation the principles under which their European fuels and lubricants joint venture would be dissolved in response to the European Commission's requirement in respect of the Exxon and Mobil merger. Under the agreement - which is conditional on a number of approvals from national governments and appropriate employee consultation - BP Amoco will purchase Mobil's 30% interest in the fuels business for around \$1.5 billion, subject to adjustments. In addition, the two companies will divide the assets of the lubricants business broadly in line with their equity stakes (51% Mobil, 49% BP Amoco). In February 2000, the European Union's Merger Task Force gave its approval to the dissolution.

CHEMICALS

<TABLE>

<CAPTION>

Years ended

December 31,

-----	1999	1998
1997	-----	-----

<S>	<C>	<C>	<C>
<C>			
Total replacement cost operating profit...(\$ million)		686	1,100
1,530			
Chemicals production (a)...(thousand tonnes)	21,853	20,570
19,491			
</TABLE>			

(a) Includes BP Amoco share of associated undertakings and other interests in production.

Chemicals' replacement cost operating profit was \$686 million compared with \$1,100 million in 1998, a decrease of 38%. After adjustment for special charges of \$247 million, Chemicals' profit of \$933 million in 1999 represented a decrease of 19% compared with the adjusted result of 1998 despite a 6% increase in production. Special charges in 1998 amounted to \$50 million.

Chemicals margins in several commodity product areas fell to levels below the low points seen in previous cycles. At the same time the effects of the financial crisis in Asia continued to be felt, especially in Europe, where weakness of the euro also contributed to pressure on margins. This adverse external environment was offset partially by a clear focus on cost reductions and releasing the value of the merger of BP and Amoco. Total volume of product manufactured rose by 6% to an all-time record of 21.9 million tonnes as new capacity came on stream and production reliability increased. These increases in production were partly offset by disposals.

In 1998, margins for most commodity chemicals deteriorated compared with 1997. This reflected increased industry capacity, weak demand in Europe and the financial crisis in Asia. These factors were offset to some extent by our continued focus on self-help initiatives, such as cost reduction, and by the benefits of our investment in proprietary technology.

The total volume of product manufactured rose by 6% in 1998, principally reflecting our styrenics acquisition in early 1998. As a result of all these factors total replacement cost operating profit was \$1,100 million compared with \$1,530 million in 1997.

In 1999 we disposed of the Verdugt acid salts business in Europe, the Plaskon electronic materials business based in the USA and Singapore, our share of the olefins cracker in Wilton, UK, the US Fibers and Yarns business and the Plaspac Kunststoff plastic net and webbing business and we completed the sale and leaseback of railcars in the USA. In addition, we announced the closure of our joint-venture Singapore aromatics complex. In 2000, BP Amoco refinanced the entity's bank loans and sold its interest in the entity to ExxonMobil, resulting in a loss of \$218 million (\$148 million after tax).

In 1998, divestments included the Adibis lubricants and fuel additives business and speciality chemicals distribution businesses in Europe and Australasia. During 1997 BP Amoco sold its advanced materials and phenolic resins business in the UK.

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Capital expenditure and acquisitions in 1999 was \$1,215 million compared with \$1,606 million in 1998.

In 1999, a number of new chemicals projects aimed at strengthening our

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portfolio were sanctioned or announced, including a new 250,000 tonnes a year linear alpha-olefins plant in Alberta, Canada, and the expansion of trimellitic anhydride capacity at our plant in Joliet, Illinois.

In China our 150,000-tonnes-a-year acetic acid joint venture with Sinopec at Yaraco was commissioned early in the year. Another joint venture with Sinopec - the detailed planning phase of a world-scale 900,000-tonnes-a-year ethylene cracker and derivative product units near Shanghai - received official approval in the Autumn. Start-up is expected in 2005.

During 1998 we acquired Styrenix Kunststoffe. Projects completed in 1998 included the purified terephthalic acid unit and paraxylene unit at Geel, a new metaxylene plant at Texas City, and the first stage of the planned \$825 million investment programme in the UK.

OTHER BUSINESSES AND CORPORATE

<TABLE>

<CAPTION>

		Years ended	
December 31,			

		1999	1998
1997		-----	-----

<S>	<C>	<C>	<C>
<C>			
Replacement cost operating loss.....	(\$ million)	826	374
524			

</TABLE>

Other Businesses and Corporate comprises Finance, BP Solarex, the Group's coal asset, interest income and costs relating to corporate activities worldwide.

The net cost of Other Businesses and Corporate in 1999 amounted to \$826 million. This included special charges of \$398 million. The net cost of Other Businesses and Corporate of \$374 million for 1998 included \$50 million for integration costs in respect of the BP Amoco merger. 1998 benefited from the capitalization of IT expenditure amounting to \$65 million which would have been expensed in earlier periods.

INTEREST EXPENSE

Interest expense was \$1,316 million compared with \$1,177 million in 1998. These amounts included special charges of \$24 million and \$12 million respectively, arising from the early redemption of bonds. After adjusting for these special charges, the increase in Group interest expense in 1999 reflected lower capitalized interest and higher average debt, the effects of which were partly offset by lower interest rates.

Interest expense in 1998 was \$1,177 million compared with \$1,035 million in 1997. The increase reflected higher average debt, partly offset by lower interest rates.

TAXATION

The charge for corporate taxes in 1999 was \$1,880 million compared with \$1,520 million in 1998, and \$3,013 million in 1997. The effective tax rate on historical cost profit was 27% in 1999, 32% in 1998 and 34% in 1997. The lower

rate in 1999 reflected the effect of inventory holding gains not taxed, whereas in 1998 there were unrelieved inventory holding losses; this difference between the two years was partly offset by the relatively low tax relief on net exceptional losses in 1999 and the absence of tax credits in 1998.

The effective tax rate on replacement cost profit before exceptional items was 28%, compared with 25% in 1998 and 30% in 1997. The increase in effective rate in 1999 over 1998 reflected the effects of tax on inventory holding gains which do not form part of the replacement cost profit before exceptional items. The reduction from 1997 to 1998 reflected the effects of tax relief on inventory holding losses and timing benefits.

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BP AMOCO GROUP'S FINANCIAL CONDITION

CASH FLOW

<TABLE>

<CAPTION>

December 31, ----- 1997 -----	Years ended	
	1999	1998
	-----	-----
		(\$ million)
<S>	<C>	<C>
<C>		
Net cash inflow from operating activities.....	10,290	9,586
15,558		
Net cash (outflow) inflow.....	(82)	(906)
878		

</TABLE>

Net cash outflow for 1999 was \$82 million compared with \$906 million in 1998. The change reflected improved operating results and lower net capital expenditure, partly offset by restructuring and integration costs and higher dividend payments.

Net cash inflow from operating activities increased to \$10,290 million in 1999 from \$9,586 million in 1998. The main factors in this improvement were increased operating earnings offset to a large extent by an increase in the funding requirement for working capital caused by the increase in oil prices.

Dividends from joint ventures and associated undertakings increased from \$966 million in 1998 to \$1,168 million in 1999. The principal factor in this increase was improved results from the BP/Mobil joint venture partially offset by a decrease in dividends from other associated undertakings. The net cash outflow from servicing of finance and return from investments increased to \$1,003 million from \$825 million in 1998, principally as a result of higher interest payments being made on the higher average level of debt. Tax payments fell from \$1,705 million in 1998 to \$1,260 million in 1999 reflecting a degree of lag in the timing of tax payments.

Payments for capital expenditures on fixed assets net of proceeds from sales of fixed assets, amounted to \$5,385 million, a reduction of \$1,913 million on 1998. This reduction was a result of the Group's decision to increase the focus of its capital programme.

Acquisitions and disposals of businesses produced a net cash inflow of \$243

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million compared with \$778 million in 1998. The major element of this reduction in cash inflow was the turnaround of the funding of joint ventures from a net release of funds in 1998 of \$708 million to a net requirement of \$750 million in 1999. This increase in cash outflow was partially offset by an increase in proceeds from the sale of businesses which amounted to \$1,292 million in 1999 compared with \$780 million in 1998. Also within this net reduction were cash outflows for acquisitions and investments in associated undertakings which amounted to \$299 million, a decrease of \$411 million over 1998.

Dividend payments increased by \$1,727 million to \$4,135 million in 1999. This reflected the termination of the former BP share dividend plan and the fifth dividend payment in 1999 due to the harmonization and acceleration of the payment timetable.

Net cash outflow for 1998 was \$906 million, compared with an inflow of \$878 million in 1997. The change reflected lower operating cash flow resulting from lower income and a smaller reduction in working capital requirements than in 1997, partially offset by a turnaround in the funding position of the BP/Mobil joint venture, lower net capital expenditures and lower tax payments.

Net cash inflow from operating activities fell from \$15,558 million in 1997 to \$9,586 million in 1998. Most of this decrease was caused by the effect on profits of the deterioration in the operating environment for all of our businesses. The requirement for funding working capital decreased in 1998 by \$352 million, compared with a reduction of \$1,779 million in 1997.

Dividends from joint ventures and associated undertakings increased to \$966 million in 1998 from \$741 million in 1997, mainly as a result of improved profits from the BP/Mobil joint venture. The net cash outflow from servicing of finance and from returns on investments increased to \$825 million from \$655 million in 1997, principally because of the payment of dividends to minority shareholders. Tax payments fell from \$2,273 million in 1997 to \$1,705 million in 1998.

Payments for capital expenditures on fixed assets and purchase of shares for employee share schemes, net of proceeds from sales of fixed assets, amounted to \$7,298 million in 1998. This represented a small decrease over the net payments of \$7,432 million in 1997.

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Acquisitions and disposals of businesses resulted in a net cash inflow of \$778 million in 1998 compared with an outflow of \$2,624 million in 1997. This was due in part to an increase in disposal proceeds but principally to the funding situation with joint ventures. A turnaround in the funding position of the BP/Mobil joint venture produced net cash inflows of \$708 million in 1998, whereas in 1997 the initial funding of this and certain other joint ventures caused an outflow of \$1,967 million.

Dividend payments decreased by \$29 million to \$2,408 million in 1998, reflecting an increase in distributions offset by a higher proportion of shareholders opting for the share dividend.

FINANCING THE GROUP'S ACTIVITIES

The Group's principal commodity, oil, is priced internationally in dollars. Group policy has been to minimize economic exposure to currency movements by financing operations with dollar debt wherever possible, achieving this by currency swaps when funds have been raised in currencies other than dollars.

The Group's finance debt is almost entirely in US dollars. Net debt, that is debt less cash and liquid resources, was \$12,993 million at the end of 1999, an increase of \$113 million over the year. The ratio of net debt to net debt

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plus equity was 23%, the same as a year ago.

At December 31, 1999 contracts had been placed for authorized future capital expenditure estimated at \$2,544 million, mainly in respect of exploration and production activities. Such expenditure is expected to be financed largely by cash flow from operating activities. At December 31, 1999, the Group had available undrawn committed borrowing facilities of \$3,000 million (\$2,800 million at December 31, 1998).

BP Amoco has in place a Debt Issuance Programme (the Programme). Under the Programme certain subsidiaries of the Group may from time to time issue debt securities guaranteed by the Company. The debt may have a minimum maturity of one month and no maximum maturity. Aggregate debt outstanding under the Programme will not at any time exceed \$4 billion or the equivalent in other currencies. At March 24, 2000, the amount drawn down against this Programme was \$2,705 million.

OUTLOOK

Crude oil prices continue to respond to OPEC's supply side management and, though inventories have been substantially reduced, the market remains orderly. Continuing OPEC restraint, together with firm underlying demand, is expected to lead to short-term robustness in the oil price, though volatility is to be expected, dependent on weather and market sentiment.

Natural gas prices are expected to show normal seasonal variation.

Downstream, the development of marketing margins is expected to depend upon future movements in crude oil and hence product prices. Refining margins are expected to remain volatile.

In Chemicals, margins are expected to respond to developments in feedstock costs assuming firmness in demand. Surplus industry capacity, particularly new capacity coming on stream in the second half of 2000, together with continuing euro weakness, are expected to limit upside potential.

The foregoing discussion focuses on certain trends and general market and economic conditions and outlook on production levels or rates, prices and margins and, as such, are forward-looking statements that involve risk and uncertainty that could cause actual results and developments to differ materially from those expressed or implied by these discussions. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future and are outside the control of BP Amoco. Actual results may differ materially from those expressed in such statements, depending on a variety of factors, including the specific factors identified in the discussions accompanying such forward-looking statements; future levels of industry product supply, demand and pricing; political stability and economic growth in relevant areas of the world; development and use of new technology and successful partnering; the actions of competitors, natural disasters and other changes to business conditions; and other factors discussed elsewhere in this report. For a discussion of additional factors that may affect the above discussion, see Item 1 -- Description of Business -- Additional Factors Which May Affect Business.

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FINANCIAL RISK MANAGEMENT

The Group's policy is to co-ordinate certain key activities on a global basis in order to optimize its financial position and performance. These include the management of the currency, maturity and interest rate profile of borrowing, cash, other significant financial risks and relationships with banks and other financial institutions. International oil trading and risk management relating

to the businesses' commercial operations are carried out by the Group's oil trading divisions.

BP Amoco is exposed to financial risks, including market risk, credit risk and liquidity risk, arising from the Group's normal business activities. These risks and the Group's approach to dealing with them are discussed below.

MARKET RISK

Market risks include the possibility that changes in currency exchange rates, interest rates or oil and gas prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. Market risks are managed using a range of financial and commodity instruments including derivatives. We also trade derivatives in conjunction with these risk management activities.

CURRENCY EXCHANGE RATES

Fluctuations in exchange rates can have significant effects on the Group's operating results. The effects of most exchange rate fluctuations are subsumed within business operating results through changing cost competitiveness, lags in market adjustment to movements in rates, and conversion differences accounted for on specific transactions. For this reason the total effect of exchange rate fluctuations is not identifiable separately in the Group's reported results.

The main underlying economic currency of the Group's cash flows is the US dollar and the Group's borrowings are predominantly in US dollars. Our foreign exchange management policy is to minimize economic and material transactional exposures from currency movements against the US dollar.

The Group co-ordinates the handling of foreign exchange risks centrally, by netting off naturally occurring opposite exposures wherever possible, to reduce the risk, and then dealing with any material residual foreign exchange risks. Significant residual non-dollar exposures are managed using a range of derivatives. See Item 9A -- Quantitative and Qualitative Disclosures about Market Risk.

INTEREST RATES

The BP Amoco Group is exposed to interest rate risk on short- and long-term floating rate instruments and as a result of the refinancing of fixed rate finance debt. Consequently, as well as managing the currency and maturity of debt, the Group manages interest costs through the balance between generally lower-cost floating rate debt, which has inherently higher risk, and generally more expensive, but lower-risk, fixed rate debt. The Group is exposed predominantly to US dollar LIBOR (London Inter-Bank Offer Rate) interest rates as borrowings are mainly denominated in, or are swapped into, US dollars.

The BP Amoco Group uses derivatives to achieve the required mix between fixed and floating rate debt. During 1999, debt policy was to keep floating rate debt below an upper limit of 65% of total net debt. Actual floating rate debt for the year was in the range of 47-53%.

OIL AND NATURAL GAS PRICES

BP Amoco's oil trading division uses financial and commodity derivatives as part of the overall optimization of the value of the Group's equity oil production and as part of the associated trading of crude oil, products and related instruments. The Group also uses financial and commodity derivatives to manage certain of its exposures to price fluctuations on natural gas transactions.

MARKET RISK MANAGEMENT AND TRADING

In market risk management and trading, only well-understood, conventional derivative instruments are used. These include futures and options traded on regulated exchanges and 'over-the-counter' swaps, options and forward contracts.

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Where derivatives constitute a hedge, the Group's exposure to market risk created by the derivative is offset by the opposite exposure arising from the asset, liability, cash flow or transaction being hedged. By contrast, where derivatives are held for trading purposes, changes in market risk factors give rise to realized and unrealized gains and losses, which are recognized in the current period.

All financial instrument and derivative activity, whether for risk management or trading, is carried out by specialist teams which have the appropriate skills, experience and supervision. These teams are subject to close financial and management control, meeting generally accepted industry practice and reflecting the principles of the Group of Thirty Global Derivatives Study recommendations. An independent control function monitors compliance with BP Amoco's policies.

The control framework includes prescribed trading limits that are reviewed regularly by senior management; daily monitoring of risk exposure, marking trading exposures to market and reviewing open positions to assess the Group's exposure in potentially adverse situations.

Further details of BP Amoco's use of derivatives appear in Item 9A -- Quantitative and Qualitative disclosures about Market Risk, and in Item 18 -- Note 28 of Notes to Financial Statements.

CREDIT RISK

Credit risk is the potential exposure of the Group to loss in the event of non-performance by a counterparty. The credit risk arising from the Group's normal commercial operations is controlled by individual operating units within guidelines. In addition, as a result of the use of financial instruments, including derivatives, to manage market risk, the Group has credit exposures through its dealings in the financial and specialized oil and gas markets. The Group controls the related credit risk by entering into contracts only with highly credit-rated counterparties and through credit approvals, limits and monitoring procedures, and does not usually require collateral or other security. Counterparty credit validation, independent of the dealers, is undertaken before contractual commitment. The Group has not experienced material non-performance by any counterparty.

LIQUIDITY RISK

Liquidity risk is the risk that suitable sources of funding for the Group's business activities may not be available. The Group has long-term debt ratings of Aa1 and AA+ assigned respectively by Moody's and Standard and Poor's. The Group has access to a wide range of funding at competitive rates through the capital markets and banks. It co-ordinates relationships with banks, borrowing requirements, foreign exchange requirements and cash management centrally. The Group believes it has access to sufficient funding and has also undrawn committed borrowing facilities to meet currently foreseeable borrowing requirements. At December 31, 1999, the Group had available undrawn committed facilities of \$3 billion. These committed facilities, which are mainly with a number of international banks, expire in 2000. The Group expects to renew the facilities on an annual basis.

INSURANCE

The Group generally restricts its purchase of insurance to situations where this is required for legal or contractual reasons. This is because external insurance is not considered economic for the Group. Losses will therefore be borne as they arise rather than being spread over time through insurance premia. The position is reviewed periodically.

MILLENNIUM IT RISK

The Year 2000 issue, which stems from computer programs written using two digits rather than four to define the applicable year, could have resulted in processing faults on the change of century, producing a wide range of consequences.

To avoid any such consequences, BP Amoco undertook a Group-wide risk-based review of its computer systems and process control equipment and developed and implemented plans to remediate potential Year 2000-related faults by replacement or repair. The project was designed to minimize risks arising from the Year 2000 problem which might endanger health, safety, the environment, the Group's reputation or its cash flow.

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The Year 2000 programme covered IT application systems and infrastructure, process control systems and embedded microprocessors in plants, oil and gas fields and building facilities, and an assessment of the readiness of our critical suppliers, customers, joint venturers and partners. Contingency plans were developed to manage any risk associated with our operations or third party dependencies.

In the event, the Group achieved a smooth and successful transition into 2000. In addition to dealing with the specific Year 2000 risk, important additional benefits were seen from the Year 2000 programme in a number of different areas across the Group.

A critical point has been passed successfully, but the Group is maintaining an appropriate level of vigilance to deal with any consequential Year 2000 effects, especially from third parties, which may yet emerge.

The total cost of the Group's Year 2000 programme was \$335 million, which includes some minor expenditure in the first few months of 2000. These costs are charged against income in the period in which they are incurred.

THE EURO

As a result of the Treaty establishing the European Community, as amended by the Treaty on European Union, (the Treaty), European economic and monetary union (EMU) has occurred for eleven out of the fifteen member countries of the European Union (participating countries). The final stage of the Treaty began on January 1, 1999.

For the participating countries, the fixed conversion rates between their sovereign currencies (legacy currencies) prior to January 1, 1999 and the euro have been established. The euro has been adopted as their common legal currency. The legacy currencies are scheduled to remain legal tender as denominations of the euro between January 1, 1999 and January 1, 2002 (the transition period).

The United Kingdom has not participated initially in EMU, but may do so at a later time. The current policy of the UK government is that any decision to join EMU will only be taken after a national referendum of the people and, in any event, not before 2002.

BP Amoco's commercial and financial processes were successfully adapted to allow its European operations to undertake transactions in the euro and capture

competitive advantage offered by the new currency, from January 1, 1999. In common with experience generally across Europe, the actual level of transactions in euros for our businesses has until now been low. The currency of accounting records and the related systems will be converted during the transition period, which ends on January 1, 2002. The capability to conduct business in national currencies will be retained as long as necessary. The costs associated with the euro programme are estimated at \$100 million, of which some \$26 million had been incurred and expensed by the end of 1999.

It is difficult to predict whether the euro will affect the level or volatility of foreign exchange rates. However, we do not expect that the introduction of the euro will have a significant effect on the Group's results of operations, its financial position or liquidity.

ENVIRONMENTAL INVESTMENT

<TABLE>
<CAPTION>

	Years ended	
December 31,		
	1999	1998
-----	-----	-----
1997		

		(\$ million)
<S>	<C>	<C>
<C>		
Operating expenditure (a).....	414	446
477		
Capital expenditure (b).....	246	426
376		
Clean-ups.....	92	129
129		
</TABLE>		

(a) Expenditure for 1999 includes \$15 million (1998 \$44 million and 1997 \$10 million) incurred by the BP/Mobil joint venture

(b) Expenditure for 1999 includes \$84 million (1998 \$89 million and 1997 \$69 million) incurred by the BP/Mobil joint venture.

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Operating and capital expenditure on the prevention, control, abatement or elimination of air, water and solid waste pollution is often not incurred as a separately identifiable transaction. Instead, it forms part of a larger transaction which includes, for example, normal maintenance expenditure. The figures for environmental operating and capital expenditure in the table are therefore estimates, based on the definitions and guidelines of the American Petroleum Institute.

In 1999, environmental operating expenditure and amounts spent on clean-ups were slightly lower than 1998. The reduction in capital expenditure reflects the completion of a number of capital projects at the end of 1998. Similar levels of operating and capital expenditure are expected in the foreseeable future. In addition to operating and capital expenditure, we create provisions for future environmental remediation. Expenditure against such provisions is normally

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incurred in subsequent periods and is not included in environmental operating expenditure reported for such periods.

Provisions for environmental remediation are made when a clean-up is probable and the amount reasonably determinable. Generally, their timing coincides with commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. These provisions are usually set up on a discounted basis, as required by Financial Reporting Standard No.12, 'Provisions, Contingent Liabilities and Contingent Assets'.

The extent and cost of future remediation programmes are inherently difficult to estimate. They depend on the scale of any possible contamination, the timing and extent of corrective actions, and also the Group's share of the liability. Although the cost of any future remediation could be significant, and may be material to the result of operations in the period in which it is recognized, we do not expect that such costs will have a material effect on the Group's financial position or liquidity. We believe our provisions are sufficient for known requirements, and we do not believe that our costs will differ significantly from those of other companies engaged in similar industries or that our competitive position will be adversely affected as a result.

With effect from January 1, 1999 BP Amoco adopted Financial Reporting Standard No. 12 which requires that the Group now provide fully for the cost of decommissioning oil and gas production facilities and related pipelines on a discounted basis at the commencement of production.

Further details of decommissioning and environmental provisions appear in Item 18 -- Note 27 of Notes to Financial Statements. See also Item 1 -- Description of Business -- Environmental Protection.

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ITEM 9A -- QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

BP Amoco is exposed to a number of different market risks arising from the Group's normal business activities. Market risk is the possibility that changes in currency exchange rates, interest rates or oil and natural gas prices will adversely affect the value of the Group's financial assets, liabilities or expected future cash flows. The Group has developed policies aimed at managing the volatility inherent in certain of these natural business exposures and in accordance with these policies the Group enters into various transactions using derivative financial and commodity instruments (derivatives). Derivatives are contracts whose value is derived from one or more underlying financial instruments, indices or prices which are defined in the contract. We also trade derivatives in conjunction with these risk management activities.

In market risk management and in trading, only well-understood, conventional derivative instruments are used. These include futures and options traded on regulated exchanges, and 'over-the-counter' swaps, options and forward contracts.

Where derivatives constitute a hedge, the Group's exposure to market risk created by the derivative is offset by the opposite exposure arising from the asset, liability or transaction being hedged. By contrast, where derivatives are held for trading purposes, changes in market risk factors give rise to realized and unrealized gains and losses, which are recognized in the current period.

All material derivatives activity, whether for risk management or trading, is carried out by specialist teams which have appropriate skills, experience and supervision. These teams are subject to close financial and management control, meeting generally accepted industry practice and reflecting the principles of the Group of Thirty Global Derivatives Study recommendations. An independent control function monitors compliance with BP Amoco's derivative management

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policies. The control framework includes prescribed trading limits that are reviewed regularly by senior management, daily monitoring of risk exposure, marking trading exposures to market and reviewing open positions to assess BP Amoco's exposure in potentially adverse situations. Counterparty credit validation, independent of the dealers, is undertaken before contractual commitment.

Further information about BP Amoco's use of derivatives, their characteristics, and the accounting treatment thereof is given in Item 18 -- Note 1 and Note 28 of Notes to Financial Statements.

RISK MANAGEMENT

FOREIGN CURRENCY EXCHANGE RATE RISK

Fluctuations in exchange rates can have significant effects on BP Amoco's operating results. The effects of most exchange rate fluctuations are subsumed within business operating results through changing cost-competitiveness, lags in market adjustment to movements in rates, and conversion differences accounted on specific transactions. For this reason, the total effect of exchange rate fluctuations is not identifiable separately in the Group's reported results.

The underlying economic currency of the Group's cash flows is mainly the US dollar. This is because BP Amoco's major product, oil, is priced internationally in US dollars. BP Amoco's foreign exchange management policy is to minimize economic and material transactional exposures from currency movements against the US dollar. The Group co-ordinates the handling of foreign exchange risks centrally, by netting off naturally occurring opposite exposures wherever possible, to reduce the risk, and then dealing with any material residual foreign exchange risks. Significant residual non-dollar exposures are managed using a range of derivatives. The most significant of such exposures are the sterling-based capital leases, that part of the quarterly dividend which is paid in sterling, the sterling cash flow requirements for UK Corporation Tax, and the capital expenditure and operational requirements of Exploration, mainly in the UK. In addition, most of the Group's borrowings are in US dollars, are hedged with respect to the US dollar, or are swapped into dollars where this achieves a lower cost of financing. At December 31, 1999 the total of foreign currency borrowings not swapped into dollars amounted to \$275 million. The principal element of this is \$90 million of borrowings in Malaysian ringgits.

The following tables provide information about the Group's foreign currency derivative financial instruments. These include foreign currency forward exchange agreements (forwards) and cylinder option contracts (cylinders) that are sensitive to changes in the sterling/dollar exchange rate. Where foreign currency denominated borrowings are swapped into dollars using forwards or currency interest rate swaps such that currency risk is completely eliminated, neither the borrowing nor the derivative are included in the table.

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For forwards, the tables present the notional amounts and weighted average contractual exchange rates by contractual maturity dates and exclude forwards that have offsetting positions. Only significant forward positions are included in the tables. The notional amounts of forwards are translated into US dollars at the exchange rate included in the contract at inception. The majority of the sterling contracts consist of forwards relating to sterling-based capital leases which effectively convert the lease obligation from sterling into dollars. The remaining contracts relate to sterling requirements for net operational expenditures. The fair value represents an estimate of the gain or loss which would be realized if the contracts were settled at the balance sheet date.

For cylinders, the tables present the notional amounts of the constituent purchased call and written put option contracts at December 31, 1999 and the

weighted average strike rates by contractual maturity dates. At December 31, 1999, the sterling cylinders related to the Group's expected sterling tax payments over the next year. We no longer hedge the expected sterling dividend over the next year using cylinders but hedge each quarter's sterling payment using forwards which mature within the quarter.

The fair values for the foreign exchange contracts in the table below are based on market prices of comparable instruments (forwards) and pricing models which take into account relevant market data (options). These derivative contracts constitute a hedge; any change in the fair value or expected cash flows is offset by an opposite change in the market value or expected cash flows of the asset, liability or transaction being hedged.

<TABLE>
<CAPTION>

Fair value	Notional amount by expected maturity date				Total
	2000	2001	2002	Thereafter	
	-----	-----	-----	-----	-----
			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
AT DECEMBER 31, 1999					
Forwards					
Receive sterling/pay US dollars					
Contract amount.....	1,674	--	--	--	1,674
(26)					
Weighted average contractual					
exchange rate.....	1.64				
Cylinders					
Receive sterling/pay US dollars					
Purchased call					
Contract amount.....	286	--	--	--	286
2					
Weighted average strike rate....	1.71				
Written put					
Contract amount.....	286	--	--	--	286
(4)					
Weighted average strike rate....	1.57				

</TABLE>

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<PAGE>

INTEREST RATE RISK

BP Amoco is exposed to interest rate risk on short- and long-term floating-rate instruments and as a result of the refinancing of fixed-rate finance debt. Consequently, as well as managing the currency and the maturity of debt, the Group manages interest costs through the balance between lower-cost floating rate debt, which has inherently higher risk, and generally more expensive but lower-risk, fixed-rate debt. The Group is exposed predominantly to US dollar LIBOR interest rates as borrowings are mainly denominated in, or swapped into, US dollars. The BP Amoco Group uses derivatives to achieve the required mix between fixed and floating rate debt. During 1999, debt policy was to keep floating rate debt below an upper limit of 65% of total net debt. Actual floating rate debt for the year was in the range of 47-53%.

The following table shows, by major currency, the Group's borrowings at

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December 31, 1999 and the weighted average interest rates achieved at those dates through a combination of borrowings and other interest rate sensitive instruments entered into to manage interest rate exposure.

<TABLE>
<CAPTION>

	Fixed rate debt			Floating rate debt	
	weighted average interest rate	weighted average time for which rate is fixed	Amount	weighted average interest rate	Amount
Total					
	(%)	(Years)	(\$m)	(%)	(\$m)
(\$m)					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
AT DECEMBER 31, 1999					
US dollars.....	7	9	6,529	6	5,915
12,444					
Sterling.....	--	--	--	6	49
49					
Other currencies.....	8	31	46	6	180
226					
Total loans			6,575		6,144
12,719					

The Group's earnings are sensitive to changes in interest rates over the forthcoming year as a result of the floating rate instruments included in the Group's finance debt at December 31, 1999. These include the effect of interest rate and currency swaps and forwards utilized to manage interest rate risk. If the interest rates applicable to floating rate instruments were to have increased by 1% on January 1, 2000, the Group's 2000 earnings before taxes would decrease by approximately \$80 million. This assumes that the amount and mix of fixed and floating rate debt, including capital leases, remains unchanged from that in place at December 31, 1999 and that the change in interest rates is effective from the beginning of the year. Where the interest rate applicable to an instrument is reset during a quarter it is assumed that this occurs at the beginning of the quarter and remains unchanged for the rest of the year. In reality, the fixed/floating rate mix will fluctuate over the year and interest rates will change continually. Furthermore the effect on earnings shown by this analysis does not consider the effect of an overall reduction in economic activity which could accompany such an increase in interest rates.

<PAGE>
OIL PRICE RISK

The Group's risk management policy with respect to oil price risk is to manage only those exposures associated with the immediate operational programme for certain of its equity share of production and certain of its refinery and marketing activities. To this end, BP Amoco's oil trading division uses the full range of conventional oil price-related financial and commodity derivatives available in the oil markets.

The derivative instruments used for hedging purposes do not expose the Group to market risk because the change in their market value is offset by an equal and opposite change in the market value of the asset, liability or transaction being hedged. The values at risk in respect of derivatives held for oil price risk management purposes are shown in isolation in the table below. The items being hedged are not included in the values at risk.

The value at risk model used is that discussed under Trading below, except that value at risk in respect of oil price risk management does not take into account physical crude oil or refined product positions held by the Group. Thus the value at risk calculation for oil price exposure includes derivative financial instruments such as exchange-traded futures and options, swap agreements and over-the-counter options and derivative commodity instruments (commodity contracts that permit settlement either by delivery of the underlying commodity or in cash) such as forward contracts. The values at risk represent the potential gain or loss in fair values over a 24-hour period with a 99.7% confidence level.

The following table shows values at risk for oil price risk management activities.

<TABLE>
<CAPTION>

1999

	High	Low	Average
December 31			
-----	-----	-----	-----
		(\$ million)	
<S>	<C>	<C>	<C>
Oil price contracts.....	5	3	3
5			

NATURAL GAS PRICE RISK

BP Amoco's general policy with respect to natural gas price risk is to manage only a portion of its exposure to price fluctuations. Natural gas swaps, options and futures are used to convert specific sales and purchases contracts from fixed prices to market prices. Swaps are also used to hedge exposure to price differentials between locations. We also use derivatives to fix prices which are favourable with respect to our forecasts of future prices.

The table below provides information about the Group's material swaps contracts that are sensitive to changes in natural gas prices. Contract amount represents the notional amount of the contract. Fair value represents an estimate of the gain or loss which would be realized if the contracts were settled at the balance sheet date. Weighted average price represents the year-end forward price for futures, the fixed price and the year-end forward price related to the settlement month for swaps; and the weighted average strike price for options.

At December 31, 1999, in addition to the swaps contracts shown in the table there were options contracts with aggregate notional amounts of \$7 million and terms of up to one year.

<CAPTION>

Weighted

average price

Fair value

Pay	Quantity	Contract	Fair value		
		amount	Asset	Liability	Receive
-----	-----	-----	-----	-----	-----
mmbtu) (b)	(Btus trillion)(a)	(\$ million)	(\$ million)	(\$ million)	(\$ per
<S>	<C>	<C>	<C>	<C>	<C>
AT DECEMBER 31, 1999					
Maturing in 2000					
Swaps					
Receive variable/pay fixed..... 2.58	78	201	3	(10)	2.47
Receive fixed/pay variable..... 2.43	55	138	6	(2)	2.51
Receive and pay variable..... 2.27	1,474	3,350	36	(32)	2.28
Maturing in 2001					
Swaps					
Receive variable/pay fixed..... 2.68	14	38	1	(1)	2.63
Receive fixed/pay variable..... 2.44	6	14	--	--	2.51
Receive and pay variable..... 2.40	252	604	9	(7)	2.41

</TABLE>

(a) British thermal units (btus)

(b) Million british thermal units (mmbtu)

TRADING

In conjunction with the risk management activities discussed above, BP Amoco also trades interest rate and foreign currency exchange rate derivatives. The Group controls the scale of the trading exposures by using a value at risk model with a maximum value at risk limit authorized by the board.

In addition to the risk management activities related to equity crude disposal, refinery supply and marketing, BP Amoco's oil trading division undertakes trading in the full range of conventional derivative financial and commodity instruments and physical cargoes available in the oil markets. This activity is monitored and measured separately from the risk management activity and is subject to maximum value at risk limits authorized by the board.

The Group measures its market risk exposure, i.e. potential gain or loss in fair values, on its trading activity using a value at risk technique. This technique is based on a variance/covariance model and makes a statistical assessment of the market risk arising from possible future changes in market values over a 24-hour period. The calculation of the range of potential changes in fair value takes into account a snapshot of the end-of-day exposures, and the history of one day price movements over the previous twelve months, together with the correlation of these price movements. The potential movement in fair values is expressed to three standard deviations which is equivalent to a 99.7%

confidence level. This means that, in broad terms, one would expect to see an increase or a decrease in fair values greater than the value at risk on only one occasion per year if the portfolio were left unchanged.

The Group calculates value at risk on all instruments that are held for trading purposes and that therefore give an exposure to market risk. The value at risk model takes account of derivative financial instruments such as interest rate forward and futures contracts, swap agreements, options and swaptions; foreign exchange forward and futures contracts, swap agreements and options; and oil price futures, swap agreements and options. Financial assets and liabilities and physical crude oil and refined products that are treated as trading positions are also included in these calculations. The value at risk calculation for oil price exposure also includes derivative commodity instruments (commodity contracts that permit settlement either by delivery of the underlying commodity or in cash), such as forward contracts.

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<PAGE>

The following table shows values at risk for trading activities.

<TABLE>

<CAPTION>

1999

	High	Low	Average
December 31	-----	-----	-----
			(\$ million)
<S>	<C>	<C>	<C>
<C>			
Interest rate contracts.....	1	--	1
Foreign exchange contracts..	13	--	3
Oil price contracts.....	15	5	9

</TABLE>

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<PAGE>

ITEM 10 -- DIRECTORS AND OFFICERS OF REGISTRANT

There are currently 22 directors on the board.

<TABLE>

<CAPTION>

elected Name appointed		Initially or

<S>	<C>	<C>
P D Sutherland.....	Non-executive co-chairman (a)	Chairman
since May 1997		Director
since July 1995		December
H L Fuller.....	Executive co-chairman (a)	
1998		
Sir Ian Prosser.....	Non-executive deputy chairman (a)(b)(c)	Deputy
chairman		

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February 1999

since May 1997

Sir John Browne.....	Executive director (Group chief executive)	September
1991		
Dr J G S Buchanan.....	Executive director	October
1996		
R F Chase.....	Executive director (Deputy group chief executive)	March 1992
W D Ford.....	Executive director	January
2000		
Dr C S Gibson-Smith.....	Executive director	September
1997		
R L Olver.....	Executive director	January
1998		
B K Sanderson.....	Executive director	April 1992
R S Block.....	Non-executive director (a)(b)(d)	December
1998		
J H Bryan.....	Non-executive director (a)(c)	December
1998		
E B Davis, Jr.....	Non-executive director (a)(b)(c)	December
1998		
R J Ferris.....	Non-executive director (a)(b)	December
1998		
C F Knight.....	Non-executive director (a)(b)	October
1987		
F A Maljers.....	Non-executive director (a)(d)	December
1998		
Dr W E Massey.....	Non-executive director (a)(d)	December
1998		
H M P Miles.....	Non-executive director (a)(c)(d)	June 1994
Sir Robin Nicholson.....	Non-executive director (a)	October
1987		
M H Wilson.....	Non-executive director (a)(c)	December
1998		
Sir Robert Wilson.....	Non-executive director (a)(c)(d)	July 1998
The Lord Wright of Richmond...	Non-executive director (a)(b)(d)	October
1991		
J C Hanratty.....	Secretary	October
1994		

</TABLE>

(a) Member of the Chairman's Committee.

(b) Member of the Remuneration Committee.

(c) Member of the Audit Committee.

(d) Member of the Ethics and Environment Assurance Committee.

Mr H L Fuller and Mr W G Lowrie were appointed executive directors and Mrs R S Block, Mr J H Bryan, Mr E B Davis, Jr, Mr R J Ferris, Mr F A Maljers, Dr W E Massey and Mr M H Wilson were appointed non-executive directors of BP Amoco with effect from December 31, 1998. Mr H L Fuller was appointed executive co-chairman of the board on the same date. Mr W G Lowrie resigned as a director of BP Amoco on February 12, 1999. Mr W D Ford was appointed executive director with effect from January 1, 2000. Mr H L Fuller will resign from the Board with effect from March 31, 2000.

BP Amoco's articles of association require directors who have held office for three years or more since they were appointed or re-elected to retire from office at the Company's annual general meeting, together with directors appointed by the board since the last annual general meeting. Retiring directors may offer themselves for re-election. The directors retiring and offering themselves for re-election at this year's meeting are Dr J G S Buchanan, R F Chase, C F Knight and The Lord Wright of Richmond. Mr W D Ford is standing for election by the shareholders.

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The biographies of the directors and the secretary are set out below.

P D Sutherland, SC -- Peter Sutherland (53) rejoined BP's board in 1995 having previously been a non-executive director from 1990 to 1993. He was appointed chairman of BP in May 1997. He is chairman of Goldman Sachs International and is a non-executive director of Telefonaktiebolaget LM Ericsson, Investor AB and ABB. He is on the advisory board of the Council on Foreign Relations and is chairman of the Overseas Development Council.

H L Fuller -- Larry Fuller (61) was appointed a director of Amoco in 1981 and was elected chairman and chief executive officer in February 1991. He is a non-executive director of Chase Manhattan Corporation, Chase Manhattan Bank, Motorola, Security Capital Group and Abbott Laboratories. He also serves on the boards of Catalyst, the American Petroleum Institute and the Rehabilitation Institute of Chicago, and is a trustee of The Orchestral Association.

Sir Ian Prosser -- Sir Ian (56) joined BP's board in 1997 and was appointed deputy chairman in February 1999. He is chairman and chief executive of Bass, a non-executive director of Smithkline Beecham and vice president of the council of the Brewers and Licensed Retailers Association.

Sir John Browne, F. Eng, -- Sir John (52) was appointed an executive director of BP in 1991 and group chief executive in 1995. He is a non-executive director of Goldman Sachs Group and Intel Corporation, a trustee of the British Museum and a member of the supervisory board of DaimlerChrysler. He is also vice president and a member of the board of the Prince of Wales Business Leaders Forum.

Dr J G S Buchanan -- John Buchanan (56), chief financial officer, was appointed an executive director of BP in 1996. He is a non-executive director of Boots and a member of the UK Accounting Standards Board.

R F Chase -- Rodney Chase (56), deputy group chief executive, was appointed an executive director of BP in 1992. He is a non-executive director of Diageo and the BOC Group.

W D Ford -- Doug Ford (56), chief executive, refining and marketing, was appointed an executive director of BP Amoco with effect from January 2000. Before the merger of BP Amoco he had been an executive vice president of Amoco since 1993. He is a non-executive director of USG Corporation.

Dr C S Gibson-Smith -- Chris Gibson-Smith (54), executive director, policies and technology, was appointed an executive director of BP in 1997. He is a non-executive director of Lloyds TSB.

R L Olver -- Dick Olver (53), chief executive, exploration and production, was appointed an executive director of BP in January 1998. He is a non-executive director of Reuters Group.

B K Sanderson, CBE -- Bryan Sanderson (59), chief executive, chemicals, was appointed an executive director of BP in 1992. He is chairman of Sunderland PLC, a non-executive director of Corus, president of CEFIC (the European Chemical

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Industry Council) and vice president of the court of governors of the London School of Economics.

R S Block -- Ruth Block (69) joined Amoco's board in 1986. She retired as executive vice president and chief insurance officer of The Equitable in 1987. She is a non-executive director of Ecolab and 35 Alliance Capital Mutual Funds.

J H Bryan -- John Bryan (63) joined Amoco's board in 1982. He is chairman and chief executive officer of Sara Lee Corporation and a non-executive director of Bank One Corporation, General Motors Corporation and Goldman Sachs.

E B Davis, Jr -- Erroll B Davis, Jr (55) joined Amoco's board in 1991. He is president and chief executive officer of Alliant Energy. He is a non-executive director of PPG Industries and a member of the American Society of Corporate Executives, Association of Edison Illuminating Companies, the Wisconsin Association of Manufacturers and Commerce, the Iowa Business Council, the Edison Electric Institute and the Nuclear Energy Institute. He is also a trustee of Carnegie Mellon University.

R J Ferris -- Richard Ferris (63) joined Amoco's board in 1981. He retired as co-chairman of Doubletree Corporation in 1997. He is a non-executive director of The Proctor & Gamble Company.

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<PAGE>

C F Knight -- Charles Knight (64) joined BP's board in 1987. He is chairman and chief executive officer of Emerson Electric and is a non-executive director of Anheuser-Busch, Morgan Stanley Dean Witter, SBC Communications and IBM.

F A Maljers -- Floris Maljers (66) joined Amoco's board in 1994. He is a member of the supervisory boards of SHV Holding, Vendex N.V. and KLM Royal Dutch Airlines. He is chairman of the supervisory board of the Amsterdam Concertgebouw and Rotterdam School of Management, Erasmus University.

Dr W E Massey -- Walter Massey (61) rejoined Amoco's board in 1993 having previously been a director from 1983 to 1991. He is president of Morehouse College and is a non-executive director of Motorola, Bank of America, McDonald's Corporation, the Mellon Foundation and the Commonwealth Fund.

H M P Miles, OBE -- Michael Miles (63) joined BP's board in 1994. He is chairman of Johnson Matthey and a non-executive director of ING Baring Holdings and BICC.

Sir Robin Nicholson, F Eng, FRS -- Sir Robin (65) joined BP's board in 1987. He retired as chairman of Pilkington Optonics in November 1998. He is a non-executive director of Rolls-Royce and a member of the UK Government's Council for Science and Technology.

M H Wilson -- Michael Wilson (62) joined Amoco's board in 1993. He is vice chairman and a director of RBC Dominion Securities. He is a non-executive director of Manufacturers Life Insurance Company and Rio Algom.

Sir Robert Wilson, KCMG -- Sir Robert (56) joined BP's board in July 1998. He is chairman of Rio Tinto and a non-executive director of Diageo.

The Lord Wright of Richmond, GCMG -- Lord Wright (68) joined BP's board in 1991, having been Permanent Under-Secretary and Head of the UK Diplomatic Service. He is a non-executive director of De La Rue.

J C Hanratty -- Judith Hanratty (56) joined BP in London in 1986 and was appointed company secretary in October 1994. She is a nominated member of the Council of Lloyds (the London Insurance Market), a member of the Competition Commission (formerly the Monopolies and Mergers Commission), the Listing

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Authorities Committee of The London Stock Exchange and the Takeover Panel. She is also a governor of the College of Law and a Fellow of Lucy Cavendish College, Cambridge.

ITEM 11 -- COMPENSATION OF DIRECTORS AND OFFICERS

INTRODUCTION

During the 12 months following the merger between BP and Amoco, the Remuneration Committee of the board (the Committee) has undertaken a comprehensive review of the way in which it determines the remuneration of executive directors and of the effectiveness of its policies for the needs of the merged company. BP Amoco competes globally for business and for customers, with each business stream of the Company now exceeding most FTSE companies in size. It also competes globally for talent, with fewer than half of its top management team being of British nationality.

In its review the Committee was assisted by a team of independent consultants in a study of other global-scale companies, with a particular emphasis on those based in Europe. Having taken account of that study, and of the development of the Company, the Committee has concluded that an individual director's home nationality should be regarded as of secondary importance in setting remuneration. Therefore, in order to ensure greater equity at board level, all executive directors will now have their potential remuneration set against global competitive comparisons, irrespective of their own nationality. The remuneration of BP Amoco's directors will continue to be compared with the remuneration of directors in their own countries (in companies of appropriate scale and global spread) to ensure that remuneration policies and practices remain competitive in the home market. Further rigorous comparisons will then be made against an international set of appropriate companies.

The Committee has also decided that the remuneration of executive directors should in future be managed separately from that of other senior executives. Shareholders' agreement will be sought for the creation of an Executive Directors' Incentive Plan for their remuneration. Directors will then be excluded from future participation in any other incentive plans. The following information relates specifically to the reward of executive directors, unless stated otherwise.

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CHANGES MADE DURING 1999

There have been two immediate outcomes of the changes to the Company's reward philosophy for executive directors. The first has been a set of adjustments to base salaries during 1999, which have also affected annual incentive bonuses for the year. Secondly, long-term incentive grants in the 1997 and 1998 Long Term Performance Plans (LTTPs) have been adjusted to provide a means of reducing the imbalance in rewards between former BP and former Amoco directors following the merger. These potential long-term plan awards are in line with plans approved by shareholders in late 1998.

PROPOSED CHANGES IN 2000

The major change proposed for 2000 is the introduction of the Executive Directors' Incentive Plan which will provide for the granting of performance shares, share options and cash incentives at the discretion of the Remuneration Committee.

The Committee proposes to introduce two component plans under the umbrella of the Executive Directors' Incentive Plan - a long-term performance plan and a stock option plan. The first plan will mirror the existing plan for senior executives in the Company while the option plan will be structured to extend the

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timescale of the performance-reward linkage. The proposed target structure for the two component plans is set out under 'Performance measures and targets for 2000', which shows the updated competitor set for the long-term plan measure, and gives outline details of the annual incentive plan targets for 2000 and of the performance condition that is under consideration for the granting of share options.

No changes are proposed in the way the Long Term Performance Plan will operate for executive directors. The rules of the current Plan were approved by shareholders in November 1998. Future grants to directors under the Executive Directors' Incentive Plan will be managed in the same way and subject to the same targets and conditions, including the plan design feature which requires directors to build up a personal shareholding in the Company equal in value to at least five times their annual salary.

In 1998, when shareholders approved the current BP Amoco Share Option Plan, it was considered appropriate to maintain the competitive focus on the oil sector, and it was therefore unnecessary to grant share options to UK directors who participated in the Long Term Performance Plan. Share options were granted in addition to LTPP only to North American directors, as is normal practice in North America. A number of factors have now changed.

First, to meet the board's new emphasis on setting the potential rewards of all executive directors at a more equitable level of global competitiveness, there is a consequent need to increase the scale of long-term incentive grants for some directors. In coming to the conclusion that this could be best achieved through use of share options, in addition to the LTPP grants, the emphasis has been on how best to drive performance forward in the coming years. The LTPP will still predominate as the Company's long-term incentive vehicle, and it has already helped BP Amoco to achieve the aims of maximizing performance through all cycles in the oil sector.

In addition to maintaining that performance, it was felt appropriate to incorporate a new level of 'stretch' into long-term incentives through the use of a new and very challenging performance measure, the FTSE Global 100 group of companies. This wider competitor set gives BP Amoco's executive directors greater exposure to competition with non-oil sector performance, as well as creating better alignment with shareholders by giving increased exposure to the absolute performance of the equity market itself. (The LTPP measures relative performance.)

Taking all this into account, the board favours a policy of making a balance of grants under both the three-year LTPP and the longer-term share option plan, i.e. following the approach which is currently taken in respect of our US executive directors.

The remuneration policy for the most senior executives below board level will be aligned with the policy for executive directors, albeit with a stronger focus on national market comparisons. In particular, share option grants under the 1998 Plan may be made to senior executives in addition to their participation in the Long Term Performance Plan and irrespective of their nationality.

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The remainder of this item contains details of awards made in 1999 under the incentive compensation plans of BP Amoco, and includes the remuneration data required by the London Stock Exchange. The summary contains the following sections:

-- Reward philosophy.

- Reward process - the Remuneration Committee.
- Description of the reward plans.
- Performance measures and targets for 2000.
- Report on 1999 - remuneration data for executive directors.
- Long-term incentive awards.
- Other remuneration features.
- Remuneration of non-executive directors.

REWARD PHILOSOPHY

The remuneration of executive directors in BP Amoco will be based on the following guiding principles:

- total potential rewards will be set at levels sufficient to retain high-calibre and high-potential staff who will have alternative employment opportunities within a global market.
- total potential rewards will be earned by the achievement of demanding performance targets based on measures which represent the best interests of the shareholders in the short, medium and long term.
- incentive plans, performance targets and participating conditions will be structured to ensure that directors will be fully aligned with the best interests of the Company at all stages of the business cycle.
- levels of reward for meeting business targets will be fully competitive within the appropriate market while outstanding rewards will be given for delivering world-class results.
- remuneration policies and incentive plans will be designed to meet the highest standards of international industry.

REWARD PROCESS -- THE REMUNERATION COMMITTEE

The Remuneration Committee's role is to determine the terms of engagement and remuneration of the group chief executive and the executive directors. The Remuneration Committee (the Committee) also establishes the principles for the remuneration of other senior executives, which in turn provide the framework for remunerating all employees. At the beginning of the year the Committee sets challenging and demanding performance targets for the executive directors and at the end of the year makes awards which reflect the year's performance.

The Committee members have no personal financial interest, other than as shareholders, in the matters to be decided. They have no conflicts arising from cross-directorships or day-to-day involvement in running BP Amoco. For membership of the Committee see Item 10 -- Directors and Officers of Registrant.

The Committee actively solicits professional advice from independent outside consultants.

The constitution and operation of the Committee are in compliance with the 'Principles of Good Governance and Code of Best Practice' set out by the London Stock Exchange (the 'Combined Code'). Ernst & Young have confirmed that the scope of their report on the accounts covers the disclosures contained in this report that are specified for audit by the London Stock Exchange

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DESCRIPTION OF THE REWARD PLANS

BASE SALARY

- This is a fixed sum, payable monthly in pensionable cash, recognizing ongoing market worth.
- Salaries are reviewed annually in line with global companies, and targeted at the median of the appropriate national survey groups for fully effective job performance. Higher salaries are paid only where justified by sustained higher level of individual contribution.
- Surveys are conducted on a regular basis by a leading remuneration consultancy and look at remuneration levels in an international mix of companies with comparable size, complexity and global spread of operations.

ANNUAL PERFORMANCE BONUS

- This is a variable sum, potentially awarded annually in non-pensionable cash. (Bonuses to North American executives are pensionable/benefits-bearing).
- It recognizes performance against demanding annual targets set out in annual performance contracts.
- Target bonus level for executive directors is 70% of base salary in 2000. If contract levels of performance are achieved so that the target bonus is earned, executive annual remuneration levels reach a median position of the relevant global employment market.
- A 'stretch' bonus level is also identified for when targets are substantially exceeded. (For directors, this is 105% of salary in 1999.)
- Outstanding performance may be recognized by bonus payments in excess of the stretch level at the discretion of the Committee.

LONG-TERM INCENTIVE

- The Long Term Performance Plan consists of rolling, three-year performance periods, at the beginning of which participants receive a grant of performance units.
- Any potential LTPP award is a variable, taxable sum, in shares, given after the performance period. (Depending on the technical constraints in each country in which the Plan is operated, the Committee may award shares to participants or fund the purchase of shares by participants.)
- Share awards have a minimum of a further three years' retention in trust and no shares will be released until the director has a personal holding in BP Amoco shares, within the Plans, equivalent to five times base salary.

SHARE OPTIONS

- Share options may be granted in proportion to the ranking of the Company by total shareholder return over a three-year period relative to the FTSE Global 100 set of companies. Options will vest three years after grant without further performance conditions.

PERFORMANCE MEASURES AND TARGETS FOR 2000

ANNUAL PERFORMANCE BONUS

- Bonus targets focus on internal operating plans and are a mix of financial targets and leadership objectives. The financial targets concentrate on savings in cash costs and bonus underlying performance improvement relative to competitors and market expectations, while the leadership objectives include safety, environment, people, organization and investment issues.
- These targets are embedded within performance contracts which reflect the operating plans of the Company, and are subject to board decision.

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- Each year's performance provides the platform for the next year's targets, providing a continuous drive to higher levels of achievement.

LONG-TERM PERFORMANCE PLAN (LTPP)

- The LTPP focuses on performance within the oil sector and looks at performance against demanding three-year shareholder return, profitability and growth targets.
- For all three measures BP Amoco's performance is assessed in relation to the oil majors: Chevron, ENI, ExxonMobil, Repsol YPF, Royal Dutch Shell, Texaco and TotalFina.
- The maximum award can be made only when performance has been ahead of the competitor group on all three performance measures. For second and lower rankings progressively lower awards are made. Participants benefit only when they deliver results above the median for this group.

SHARE OPTIONS

- Option grants will be related to performance comparisons with a wide selection of global companies. The Remuneration Committee will take into account the ranking of the Company's total shareholder return (TSR) against the TSR of the FTSE Global 100 group of companies over the three-year period preceding the date of grant in setting the scale of grants.
- Options granted to former Amoco employees during 1999-2000 will not be subject to any additional performance conditions, in line with the practice followed previously in Amoco. (Under the terms of the merger agreement, options granted to former Amoco Group employees must, for at least two years, be no less favourable than their previous arrangements.)

REPORT ON 1999 -- REMUNERATION DATA FOR EXECUTIVE DIRECTORS

BASE SALARY AWARDS IN 1999

Base salaries for executive directors were adjusted in two steps during the year by a total average increase of 22% to reflect the increased scale and complexity of directors' responsibilities.

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BONUS AWARDS FOR 1999 PERFORMANCE

The Committee established a bonus rating of 148% based on the achievement of targets set for 1999. This rating took into account, among other things, the operating performance of the Company which reflected the substantial benefits of restructuring and integration following the merger, together with ongoing cost control; the saving of cash costs and the substantial contribution of performance improvements to the results for the year; the return on average capital employed and earnings per share, which were both strong and very

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competitive in the sector; and the progress made against non-financial targets. Bonus awards for executive directors were therefore significantly higher than in 1998. Annual remuneration for 1999 is shown in the table below.

<TABLE>
<CAPTION>

1998	Base salary	Annual performance bonus	Benefits and other emoluments	1999 Total
Total				

(\$ thousand)				
<S>	<C>	<C>	<C>	<C>
<C>				
Sir John Browne.....	1,120	1,137	94	2,351
1,514				
Dr J G S Buchanan.....	657	673	70	1,400
899				
R F Chase.....	737	754	61	1,552
962				
H L Fuller (a).....	1,096	1,302	36	2,434
1,674				
Dr C S Gibson-Smith.....	579	590	62	1,231
838				
W G Lowrie (a).....	188	126	4	318
1,049				
R L Olver (b).....	587	596	68	1,251
948				
B K Sanderson.....	668	685	80	1,433
987				

Totals	5,632	5,863	475	11,970
8,871				
=====				

</TABLE>

The table above represents annual remuneration earned by, and paid to, executive directors in the 1999 financial year, with the exception of bonuses (which were earned in 1999 but paid in 2000). A conversion rate of L1 = \$1.62 has been used for 1999, L1 = \$1.66 for 1998. 70% target bonus applied in 1999 to all executive directors except H L Fuller (80% target/120% maximum).

- (a) H L Fuller and W G Lowrie were appointed to the board on December 31, 1998, the effective date of the merger. However, the figures shown represent earnings for the whole 1998 calendar year.
- (b) R L Olver was appointed to the board on January 1, 1998. His benefits and other emoluments for 1998 include expatriation costs which were incurred before his board appointment.

2000-03 BP Annual Rpt (20F) for 1999.txt

Awards made in 1999 under the BP Long Term Performance Plan related to the 1996-98 Plan. Estimates of grant values were indicated in BP Amoco's 1998 Annual Report on Form 20-F.

Awards to be made in 2000 under the BP Long Term Performance Plan relate to the 1997-99 Plan.

BP Amoco came first in the 1997-99 Plan, and the Remuneration Committee expects to make a maximum award. The primary performance measure, BP Amoco's shareholder return against the market (SHRAM), was 15%. BP Amoco was the only company in the peer group to exceed market returns during the three-year period, and was more than 20% ahead of the nearest-ranked competitor.

At the time of the merger the Committee decided to set minimum award levels for all participants in the 1998 Plans, including executive directors. This decision was based on pre-merger announcement comparisons of total shareholder returns, and provides an indication for participants that the final outcome will be no less than the SHRAM performance measure position which BP held, in relation to its peer group comparators, before the merger. As mentioned previously, some executive directors have also had additional grants, under these plans, to bring them closer to a common global standard.

The total number of shares that may be awarded to all directors under the 1997-99 Plan is 2,190,600, with a value of \$16.8 million based on a share price of L4.81/\$7.65 at L1 = \$1.59 (mid-market price on February 14, 2000).

Serving recipients in the LTPP are obliged to have the balance of their 1997-99 awards retained in trust for at least a further three years. This restriction also applies to future Plans, together with additional share ownership requirements.

Potential awards to executive directors, including an indicative range of potential awards under the 1998 and 1999 Plans, for which awards would be payable in 2001 and 2002, are set out in the table below.

LONG-TERM PERFORMANCE PLANS

<TABLE>

<CAPTION>

Performance period of Plan		1996-98	1997-99		1998-2000	
1999-2001						
Year of award		1999	2000	2000	2001	
2002						
potential awards(d)		Range of				
		value of award(a)	Potential award(b)	Award value(c)	Minimum	Maximum
Target	Maximum					
		(\$ thousand)	(shares)	(\$ thousand)	(shares)	
<S>	<C>	<C>	<C>	<C>	<C>	<C>
CURRENT EXECUTIVE DIRECTORS						
Sir John Browne.....		1,500	527,600	4,036	80,280	532,600
270,000	540,000					

2000-03 BP Annual Rpt (20F) for 1999.txt						
Dr J G S Buchanan.....	1,188	323,400	2,474	47,700	319,800	
160,000 320,000						
R F Chase.....	1,500	329,800	2,523	51,540	339,000	
180,000 360,000						
W D Ford.....	--	--	--	--	--	
100,000 200,000						
H L Fuller.....	--	--	--	--	--	
270,000 540,000						
Dr C S Gibson-Smith.....	1,030	285,800	2,186	45,480	297,400	
144,000 288,000						
R L Oliver.....	876	285,800	2,186	45,480	297,400	
144,000 288,000						
B K Sanderson.....	1,500	329,800	2,523	51,540	339,000	
160,000 320,000						
FORMER EXECUTIVE DIRECTORS OF BP						
S J Ahearne.....	500	--	--	--	--	
--						
K R Seal.....	1,000	54,200	415	--	--	
--						
Dr R W H Stomberg.....	1,000	54,200	415	--	--	
--						

</TABLE>

- (a) Based on average market price on date of award (L5.70/\$9.23) at L1 = \$1.62.
- (b) Based on assessed performance and the other terms of the Plan.
- (c) Based on mid-market price of BP Amoco shares on February 14, 2000 (L4.80/\$7.65 at L1 = \$1.59).
- (d) Minimum awards were determined for these Plans prior to the completion of the merger. Actual awards will be determined at the end of each performance period.

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OTHER REMUNERATION FEATURES

SHARE OPTION AWARDS

DIRECTORS' EXECUTIVE SHARE OPTIONS(a)

<TABLE>

<CAPTION>

Number of options					
Average	Dates	At		At	
		January 1,	Expiry	December 31,	
option price(c)	from which	1999(b)	Granted(b)	1999	
	exercisable		dates		
(L)					
<S>	<C>	<C>	<C>	<C>	
<C>	<C>	<C>	<C>	<C>	
Dr J G S Buchanan..	119,200	--	119,200(d)	--	
n/a	n/a	n/a			
W D Ford.....	--	--	--	4,536,444(e)	

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3.23(f)	3/22/94-3/15/01	3/22/03-3/14/09		
H L Fuller.....	14,768,400	1,087,844	794,000	15,062,244
3.05(f)	4/23/93-3/15/01	4/23/01-3/14/09		
DIRECTOR LEAVING THE BOARD IN 1999				
W G Lowrie.....	7,066,600	--	--	7,066,600(h)

</TABLE>

- (a) All options in the above table are denoted in BP Amoco ordinary stock or calculated equivalents.
- (b) Directors' positions adjusted for October 1999 subdivision of ordinary share capital.
- (c) These are the weighted average prices applicable to all shares under option at the end of the year. Full details of directors' shareholdings and options are available for inspection in the Company's register of directors' interests.
- (d) 96,000 exercised at L1.375 and 23,200 exercised at L1.69 (market price at date of exercise L4.6425).
- (e) On appointment on January 1, 2000.
- (f) Equivalent to \$5.23 (W D Ford) and \$4.94 (H L Fuller) at L1 = \$1.62.
- (g) 132,332 ADSs exercised at \$19.81 (market price at date of exercise \$53.88).
- (h) At February 12, 1999

DIRECTORS' SAYESHARE OPTIONS

<TABLE>
<CAPTION>

Number of options					
Average option price(b)	Dates from which exercisable	At		At	
		January 1, 1999(a)	Expiry Granted(a) dates	December 31, 1999	
-----	-----	-----	-----	-----	-----
L					
<S>	<C>	<C>	<C>	<C>	<C>
Sir John Browne.....	2.89	5,968	--	--	5,968
	9/1/02		2/28/03		
Dr J G S Buchanan.....	3.03	6,978	750	--	7,728
	9/1/99-9/1/04		2/29/00-2/28/05		
R F Chase.....	1.85	9,324	--	--	9,324
	9/1/00		2/28/01		
Dr C S Gibson-Smith...	4.49	--	2,154	--	2,154
	9/1/04		2/28/05		
R L Oliver.....	2.60	6,856	--	--	6,856
	9/1/01-9/1/02		2/28/02-2/28/03		
B K Sanderson.....	2.11	8,534	--	4,284(c)	4,250
	9/1/99-9/1/02		2/29/00-2/28/03		

</TABLE>

- (a) Directors' positions adjusted for October 1999 subdivision of ordinary share capital.
- (b) These are the weighted average prices applicable to all shares under option at the end of the year. Full details of directors' shareholdings and options are available for inspection in the Company's register of directors' interests.
- (c) Exercised at L1.61 (market price at date of exercise L5.875).

SHARE SCHEMES AND OTHER BENEFITS

In 1999, six UK directors were allocated shares under the BP Participating Share Scheme which is available to most UK employees. Under the Participating Scheme, the Company matches employees' own contribution of shares, all of which are held for a defined period (see Item 18 -- Note 33 of Notes to Financial Statements). Six directors continued to participate in the Savings-Related Share Option Scheme, under which employees enter a savings plan to purchase shares after three or five years. This plan is also open to most UK employees. UK directors may also receive modest benefits from typical all-employee arrangements, such as a fuel discount card and free accidental death insurance.

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Mr Fuller and Mr Lowrie were eligible to participate in those benefit plans generally provided to US employees, including an employee savings plan containing a company matching contribution of up to 7% of annual earnings, and certain health and welfare plans, including medical and dental coverage, non-contributory group life insurance of one times annual earnings, additional employee paid group life insurance, and short- and long-term sickness and disability coverage. In 1999, the Company contributed \$112,787 and \$42,430 respectively to the Savings Plan to 'match' their savings.

PENSIONS

UK DIRECTORS

Pension and other benefits have regard to competitor practice in the home country of each senior executive.

In the UK, eligible staff can join the BP Pension Scheme, which offers Inland Revenue-approved retirement benefits, based on final salary.

Scheme members' core benefits, which are non-contributory, comprise a pension accrual rate of 1/60th of final basic salary for each year of service, inclusive of a proportion of the basic state pension, up to a limit of two-thirds of final basic salary; a lump-sum death-in-service benefit of three times salary; and a dependant's benefit of two-thirds of actual or prospective pension. The link between the Scheme pension and the basic state pension will cease for all members on May 1, 2000.

Normal retirement age is 60, but members who have 30 or more years' service at the age of 55 can opt to retire early without an actuarial reduction to their pension.

Post-retirement pensions are reviewed annually, and increases are guaranteed equivalent to the Retail Price Index (up to 5%).

Directors who are members of the BP Pension Scheme accrue pension at the enhanced rate of 2/60ths of their final basic salary for each year of service as managing directors (up to the same two-thirds limit). No contributions are payable by executive directors.

None of the directors is affected by the 'pensionable earnings cap'.

The BP Pension Scheme is the principal section of the BP Pension Fund, the latter being established under a trust deed. Contributions to the Fund are made on the advice of the actuary appointed by the Trustee directors. No contributions were made to the Fund by the Company in 1999 in respect of pensions accruing under the BP Pension Scheme.

US DIRECTORS

All current US directors participate in the Employee Retirement Plan for Amoco Corporation. Under this retirement plan, the amount of the annuity which they are eligible to receive on a single-life basis is determined under an annuity benefit formula.

The annuity benefit formula (including a percentage of US Social Security benefits) is calculated at 1.67% x the employee's years of participation x average annual earnings. Such earnings for Plan purposes are determined by taking separately the three highest consecutive calendar years' earnings from salary and the three highest consecutive calendar years' bonus awards during the 10 years preceding retirement. The maximum annuity is 60% of such average annual earnings. Years of participation in the Plan in excess of 36 do not result in additional benefits.

Normal pensionable age in the US Plan is 65. There is no actuarial reduction to the pension which becomes payable between age 60 and 65, but a reduction of 5% a year is applied if paid between age 50 and 59.

In line with US tax regulations, benefits are provided as appropriate through a combination of tax qualified and restoration/non-qualified plans.

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PENSION ENTITLEMENT - UK EXECUTIVE DIRECTORS

<TABLE>

<CAPTION>

Additional pension earned during the year ended December 31, 1998(a)	Years of service at December 31, 1999	Accrued entitlement at December 31, 1999(a)	Additional pension earned during the year ended December 31, 1999(a)	(\$ thousand)	(\$ thousand)	(\$ thousand)
thousand)						
<S>	<C>	<C>	<C>			
Sir John Browne..... 45	33	880	252			
Dr J G S Buchanan..... 32	30	447	118			
R F Chase..... 32	35	551	128			
Dr C S Gibson-Smith.....	29	393	95			

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27			
R L Oliver.....	26	416	115
27			
B K Sanderson.....	35	486	63
32			
</TABLE>			

(a) A conversion rate of L1 = \$1.62 has been used for 1999, L1 = \$1.66 for 1998.

PENSION ENTITLEMENT - US EXECUTIVE DIRECTORS

<TABLE>
<CAPTION>

Additional pension earned during the year ended December 31, 1998	Years of service at December 31, 1999	Accrued entitlement at December 31, 1999	Additional pension earned during the year ended December 31, 1999	
				thousand)
				(\$ thousand)
				(\$ thousand)
				(\$
<S>	<C>	<C>	<C>	
H L Fuller.....	38	1,172 (a)	26	
128				
W G Lowrie.....	33	491 (b)	16	
111				
</TABLE>				

(a) Includes a temporary annuity payable until age 62 of \$7,092.

(b) Includes a temporary annuity payable until age 62 of \$6,704. Accrued entitlement as at April 1, 1999 (date of retirement).

SERVICE CONTRACTS

All UK executive directors appointed since 1996 hold a contract of service which includes a one-year period of notice. Sir John Browne and Mr Chase were appointed before 1996 and have contracts which include a two-year notice period. The Board does not consider it in shareholders' interest to renegotiate these contracts. Mr Sanderson's contract is due to expire in 2000 when he reaches the age of 60. Under each contract, the Company reserves the right to make a payment in lieu of notice.

Dr Stomberg was a director of BP prior to his retirement at the end of 1997 and served as a special adviser to the group chief executive on European matters at a fixed annual salary of DM1.1 million until the end of 1999.

Mr Fuller's and Mr Lowrie's secondments to BP Amoco began on December 31, 1998. Their underlying US employment agreements with BP Amoco Corporation have a

2000-03 BP Annual Rpt (20F) for 1999.txt
 three-year period. Mr Fuller is due to retire in March 2000. Mr Lowrie's UK secondment was subject to termination by mutual agreement, after which he would return to the USA and be subject to the terms of that US employment agreement. His secondment terminated on April 1, 1999, and he received a payment of \$6,126,414 in line with the terms of his US agreement.

On his appointment as an executive director, Mr Ford's contractual arrangements were adjusted to provide for termination on one year's notice and retirement at 60. Mr Ford's salary in this post is \$620,000. If his contract is terminated by the Company without cause, Mr Ford will be entitled to compensation of \$1 million a year (pro rated for part years) for each year remaining between the date of severance and the date he turns 60. As an expatriate, Mr Ford receives a resettlement allowance of \$450,000 a year which terminates on December 31, 2002.

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<PAGE>

REMUNERATION OF NON-EXECUTIVE DIRECTORS

The Articles of Association provide that the remuneration paid to non-executive directors shall be determined by the board within the limits set by the shareholders. Non-executive directors do not have service contracts with the Company.

During 1999 the non-executive co-chairman of BP Amoco received a fee of \$259,000 (£160,000). The non-executive directors of BP Amoco received an annual fee of \$65,000 (£40,000) plus an allowance of \$4,860 (£3,000) for occasions on which a director travels across the Atlantic for a board meeting or committee meeting. During 1999 the board met 11 times, eight times in the UK and three times in the USA. Committee meetings are held in conjunction with board meetings whenever feasible. Details of individual fees are set out below.

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<PAGE>

REMUNERATION OF NON-EXECUTIVE DIRECTORS

<TABLE>

<CAPTION>

Year ended	Year ended
31, 1998	December 31, 1999(a) December
-----	-----

(\$ thousand)

CURRENT DIRECTORS

<S>

<C>

<C>

R S Block.....	89
90	
J H Bryan.....	84
90	
E B Davis, Jr.....	89
90	
R J Ferris.....	84
90	
C F Knight.....	79
51 (b)	
F A Maljers.....	70
90	
Dr W E Massey.....	89
90	

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H M P Miles.....	79
61 (b)(c)	
Sir Robin Nicholson.....	79 (d)
46 (b)(e)	
Sir Ian Prosser.....	122
55 (b)	
P D Sutherland.....	259 (f)
266 (b)	
M H Wilson.....	94
90	
Sir Robert Wilson.....	79
18 (b)	
The Lord Wright of Richmond.....	75 (g)
61 (b)	
DIRECTORS WHO RETIRED BEFORE 1999	
D R Beall.....	--
393 (h)	
Sir James Glover.....	81 (i)
61 (b)	
Dr K N Horn.....	36 (i)
51 (b)	
A C Martinez.....	--
244 (j)	
M R Seger.....	--
393 (h)	
Sir Patrick Sheehy.....	89 (i)
51 (b)	
T M Solso.....	--
214 (k)	

Total.....	1,577
2,595	

=====
</TABLE>

- (a) Sterling payments converted at the average 1999 exchange rate of L1 = \$1.62.
- (b) Sterling payments converted at the average 1998 exchange rate of L1 = \$1.66.
- (c) Paid in part to his employer.
- (d) Also received \$32,000 (L20,000 converted at the average 1999 exchange rate of L1 = \$1.62) for serving on the Technical Advisory Council.
- (e) Also received \$22,687 (L13,667 converted at the average 1998 exchange rate of L1 = \$1.66) for serving on the Technical Advisory Council.
- (f) Also received other remuneration and benefits of \$9,849 (L6,080 converted at the average 1999 exchange rate of L1 = \$1.62).
- (g) Also received \$1,458 (L900 converted at the average 1999 exchange rate of L1 = \$1.62) for serving as a director of BP Pensions Trustees Limited.
- (h) Includes standard Amoco Corporation non-executive director remuneration of \$89,762 and a special payment of \$304,000 in recognition of service to the Amoco Corporation board.
- (i) Ex gratia payment in lieu of superannuation in recognition of contribution

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to the board of The British Petroleum Company p.l.c.

- (j) Includes standard Amoco Corporation non-executive director remuneration of \$89,762 and a special payment of \$154,000 in recognition of service to the Amoco Corporation board.
- (k) Includes standard Amoco Corporation non-executive director remuneration of \$89,762 and a special payment of \$124,000 in recognition of service to the Amoco Corporation board.

TOTAL EMOLUMENTS

Total emoluments include salary and benefits earned and paid during the relevant financial year, plus bonuses, which are paid in the following year, plus for 1999 the value of the awards made under the 1997-99 Plan in respect of the three years covered by that Plan. The total remuneration paid during 1999 to all directors and the secretary as a group was \$21,502,000.

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ITEM 12-- OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES (a)

Pursuant to the various BP Amoco Group share option schemes, the following options for Ordinary Shares of the Company were outstanding at March 24, 2000:

<TABLE>

<CAPTION>

Options outstanding	Expiry dates of options	Exercise price per share
----- (shares)	-----	-----
<S>	<C>	<C>
312,425,993	2000 to 2010	\$2.09 to \$10.10

</TABLE>

Options under the BP Amoco Share Option Plan were granted to Mr Fuller in 1999. See Item 11 -- Compensation of Directors and Officers.

As at March 24, 2000, the following directors, together with the secretary of BP Amoco p.l.c., held options under the BP Amoco Group share option schemes for Ordinary Shares or their calculated equivalent as set out below:

<TABLE>

<CAPTION>

<S>	<C>
Sir John Browne.....	5,968
J G S Buchanan.....	5,586
R F Chase.....	9,324
W D Ford.....	4,536,444
H L Fuller.....	15,062,244
C S Gibson-Smith.....	2,154
R L Olver.....	6,856
B K Sanderson.....	4,250
J C Hanratty.....	9,324
Total.....	19,642,150
	=====

</TABLE>

(a) See also Item 18-- Note 33 of Notes to Financial Statements.

ITEM 13 -- INTEREST OF MANAGEMENT IN CERTAIN TRANSACTIONS

In the ordinary course of its business the Group has transactions with various organizations with which certain of its directors are associated but, except as described in this report, no material transactions responsive to this item have been entered into in the period commencing January 1, 1999 to March 24, 2000.

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PART III

ITEM 15 -- DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 16 -- CHANGES IN SECURITIES, CHANGES IN SECURITY FOR REGISTERED SECURITIES AND USE OF PROCEEDS

BP Amoco p.l.c.'s Articles of Association were amended by special resolution on September 1, 1999.

The 'Description of BP Amoco Ordinary Shares' and 'Description of BP Amoco American Depositary Shares' contained in BP Amoco's Report on Form 6-K filed on March 27, 2000, are incorporated herein by reference.

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PART IV

ITEM 18 -- FINANCIAL STATEMENTS

See pages F-3 through F-97 and page S-1, incorporated herein by reference.

ITEM 19 -- FINANCIAL STATEMENTS AND EXHIBITS

(A) FINANCIAL STATEMENTS

The following financial statements, together with the reports of the Independent Auditors thereon, are filed as part of this annual report:

<TABLE>
<CAPTION>

Page

<S>

<C>

Reports of Independent Auditors and Consents of Independent Auditors....

F-1

Consolidated Statement of Income for the Years

Ended December 31, 1999, 1998 and 1997.....

F-3

Consolidated Balance Sheet at December 31, 1999 and 1998.....

F-4

Consolidated Statement of Cash Flows for the Years

Ended December 31, 1999, 1998 and 1997.....

F-5

Statement of Total Recognized Gains and Losses for the Years

Ended December 31, 1999, 1998 and 1997.....

F-5

Statement of Changes in BP Amoco Shareholders' Interest for

the Years Ended December 31, 1999, 1998 and 1997.....

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F-6	Notes to Financial Statements.....
F-8	Supplementary Oil and Gas Information (Unaudited).....
F-85	Schedule for the Years Ended December 31, 1999, 1998 and 1997
	Schedule II Valuation and Qualifying Accounts.....
S-1	

(B) EXHIBITS

The following documents are filed as part of this annual report:

<TABLE>
<CAPTION>

Page

<S>	
<C>	
	Computation of Ratio of Earnings to Fixed Charges (Unaudited).....
E-1	Memorandum and Articles of Association of BP Amoco p.l.c.
	(embodying amendments to September 1, 1999).....
E-2	

The total amount of long-term debt securities of the Registrant and its subsidiaries authorized under any one instrument does not exceed 10% of the total assets of BP Amoco p.l.c. and its subsidiaries on a consolidated basis. The Company agrees to furnish copies of any or all such instruments to the Securities and Exchange Commission upon request.

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SIGNATURES

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the Registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this annual report to be signed on its behalf by the undersigned, thereunto duly authorized.

BP AMOCO p.l.c.
(REGISTRANT)

/s/ Judith C. Hanratty
(SECRETARY)

Dated: March 29, 2000

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
REPORT OF INDEPENDENT AUDITORS

To: The Board of Directors
BP Amoco p.l.c.

We have audited the accompanying consolidated balance sheets of BP Amoco p.l.c. as of December 31, 1999 and 1998, and the related consolidated statements
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of income, changes in BP Amoco shareholders' interest, total recognized gains and losses, and cash flows for each of the three years in the period ended December 31, 1999. Our audits also included the financial statement schedule listed in the Index at Item 19(a). These financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements and schedule based on our audits.

The consolidated financial statements for each of the two years in the period ended December 31, 1998 give retroactive effect to the merger of The British Petroleum Company p.l.c. and Amoco Corporation, which has been accounted for as a merger. We did not audit the financial statements of Amoco Corporation for the year ended December 31, 1997, which statements reflect net income constituting approximately 33% of the related consolidated financial statement total for the year ended December 31, 1997. Those statements, which were prepared in accordance with accounting principles generally accepted in the United States, were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to amounts included for Amoco Corporation for 1997 (before the conversion to accounting principles generally accepted in the United Kingdom), is based solely on the report of the other auditors.

We conducted our audits in accordance with United Kingdom auditing standards which do not differ in any significant respect from United States generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation (including the conversion of the financial statements of Amoco Corporation to accounting principles generally accepted in the United Kingdom). We believe that our audits provide a reasonable basis for our opinion.

In our opinion, based on our audits and the report of other auditors, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of BP Amoco p.l.c. at December 31, 1999 and 1998, and the consolidated results of its operations and its consolidated cash flows for each of the three years in the period ended December 31, 1999, in conformity with accounting principles generally accepted in the United Kingdom which differ in certain respects from those followed in the United States (see Note 44 of Notes to Financial Statements). Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

/s/ ERNST&YOUNG
Ernst & Young

London, England
February 15, 2000

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference of our report dated February 15, 2000, with respect to the consolidated financial statements of BP Amoco p.l.c. included in this Annual Report (Form 20-F) for the year ended December 31, 1999 in the following Registration Statements:

Registration Statement on Form F-3 (File No. 333-9790) of BP Amoco p.l.c.

Registration Statements on Form F-3 (File Nos. 33-39075 and 33-20338) of BP America Inc. and BP Amoco p.l.c.;

Registration Statement on Form F-3 (File No. 33-29102) of The Standard Oil Company and BP Amoco p.l.c.; and

Registration Statements on Form S-8 (File Nos. 33-21868, 333-9020, 333-9798 and 333-79399) of BP Amoco p.l.c.

London, England
March 29, 2000

/s/ ERNST&YOUNG
Ernst & Young

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BP AMOCO p.l.c. AND SUBSIDIARIES
REPORT OF INDEPENDENT ACCOUNTANTS

TO: THE BOARD OF DIRECTORS AND
Shareholders of Amoco Corporation

In our opinion, the consolidated statements of income and cash flows (not presented separately herein) present fairly, in all material respects the results of the operations and the cash flows of Amoco Corporation and its subsidiaries for the year ended December 31, 1997, in conformity with generally accepted accounting principles. These financial statements are the responsibility of Amoco Corporation's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP

Chicago, Illinois
February 24, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-21868, 333-9020, 333-9798 and 333-79399) of BP Amoco p.l.c. and in the Prospectuses constituting part of the Registration Statements on Form F-3 (No. 33-39075 and 33-20338) of BP America and BP Amoco p.l.c. and (No. 33-29102) of The Standard Oil Company and BP Amoco p.l.c. and (No. 333-9790) of BP Amoco p.l.c. of our report dated February 24, 1998, appearing in Item 19 of this Annual Report on Form 20-F.

/s/ PricewaterhouseCoopers LLP

PRICEWATERHOUSECOOPERS LLP
Chicago, Illinois
March 29, 2000

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<PAGE>

2000-03 BP Annual Rpt (20F) for 1999.txt
BP AMOCO p.l.c. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF INCOME

<TABLE>
<CAPTION>

		Years ended	
December 31,			
	Note	1999	1998

1997			

(\$ million, except per			
share amounts)			

<S>		<C>	<C>
<C>			
TURNOVER.....		101,180	83,732
108,564			
Less: Joint ventures.....		17,614	15,428
16,804			

GROUP TURNOVER.....	2	83,566	68,304
91,760			
Replacement cost of sales.....		68,615	56,270
73,828			
Production taxes.....	3	1,017	604
1,307			

GROSS PROFIT.....		13,934	11,430
16,625			
Distribution and administration expenses.....	4	6,064	6,044
6,742			
Exploration expense.....		548	921
962			

		7,322	4,465
8,921			
Other income.....	5	414	709
662			

GROUP REPLACEMENT COST OPERATING PROFIT.....		7,736	5,174
9,583			
Share of profits of joint ventures.....		555	825
544			
Share of profits of associated undertakings.....		603	522
556			

TOTAL REPLACEMENT COST OPERATING PROFIT.....		8,894	6,521
10,683			
Profit (loss) on sale of businesses.....	6	(421)	395
127			
Profit (loss) on sale of fixed assets.....	6	84	653
313			
Restructuring costs.....	6	(1,943)	--
--			
Merger expenses.....	6	--	(198)

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Refinery network rationalization..... (47)	6	--	--
European refining and marketing joint venture implementation..... (265)	6	--	--

REPLACEMENT COST PROFIT BEFORE INTEREST AND TAX..... 10,811		6,614	7,371
Inventory holding gains (losses)..... (939)		1,728	(1,391)

HISTORICAL COST PROFIT BEFORE INTEREST AND TAX..... 9,872		8,342	5,980
Interest expense..... 1,035	7	1,316	1,177

PROFIT BEFORE TAXATION..... 8,837		7,026	4,803
Taxation..... 3,013	9	1,880	1,520

PROFIT AFTER TAXATION..... 5,824		5,146	3,283
Minority shareholders' interest..... 151		138	63

PROFIT FOR THE YEAR*..... 5,673		5,008	3,220
Dividend requirements on preference shares*..... 1		2	1

PROFIT FOR THE YEAR APPLICABLE TO ORDINARY SHARES*.... 5,672		5,006	3,219
=====			
=====			
PROFIT PER ORDINARY SHARE - CENTS			
Basic 29.56	11	25.82	16.77
Diluted..... 29.41	11	25.68	16.70
=====			
=====			
DIVIDENDS PER ORDINARY SHARE - CENTS..... 18.0	10	20.0	19.8
=====			
=====			
Average number outstanding of 25 cents ordinary shares (in millions)..... 19,184		19,386	19,192
=====			
=====			
</TABLE>			

* A summary of the adjustments to profit for the year of the Group which would be required if generally accepted accounting principles in the United States had been applied instead of those generally accepted in the United Kingdom is given in Note 44.

The Notes to Financial Statements are an integral part of this Statement.

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BP AMOCO p.l.c. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET

<TABLE>
<CAPTION>

December 31,

1998	Note	1999			
			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
FIXED ASSETS					
Intangible assets.....	19	3,344			
3,037					
Tangible assets.....	20	52,631			
54,880					
Investments					
Joint ventures					
Gross assets.....		9,948		9,053	
Gross liabilities.....		4,744		4,048	
Net investment.....	21	5,204			
5,005					
Associated undertakings.....	21	4,334			
4,162					
Other.....	21	571			
605					
		10,109			
TOTAL FIXED ASSETS.....		66,084			
67,689					
CURRENT ASSETS					
Inventories.....	22	5,124		3,642	
Trade receivables.....	23	9,417		5,778	
Other receivables falling due					
within one year.....	23	3,930		3,626	
After more than one year.....	23	3,455		3,305	
Investments.....	24	220		470	
Cash at bank and in hand.....		1,331		405	
		23,477		17,226	

CURRENT LIABILITIES -- FALLING DUE WITHIN ONE YEAR

2000-03 BP Annual Rpt (20F) for 1999.txt

Finance debt.....	25	4,900	4,114
Trade payables.....	26	8,203	5,091
Other accounts payable and accrued liabilities.....	26	10,172	10,238
		<u>23,275</u>	<u>19,443</u>
NET CURRENT ASSETS, (LIABILITIES)....			202
(2,217)			
-----			-----
TOTAL ASSETS LESS CURRENT LIABILITIES			66,286
65,472			
Noncurrent liabilities			
Finance debt.....	25	9,644	9,641
Accounts payable and accrued liabilities.....	26	2,245	2,047
Provisions for liabilities and charges			
Deferred taxation.....	9	1,783	1,632
Other.....	27	8,272	8,579
		<u>21,944</u>	<u>21,944</u>
21,899			
-----			-----
NET ASSETS.....			44,342
43,573			
Minority shareholders' interest.....			1,061
1,072			
-----			-----
BP AMOCO SHAREHOLDERS' INTEREST*....			43,281
42,501			
=====			=====
REPRESENTED BY:			
Capital shares			
Preference.....			21
21			
Ordinary.....			4,871
4,842			
Paid in surplus.....	29		3,684
3,386			
Merger reserve.....	29		697
697			
Retained earnings.....	30		34,008
33,555			
-----			-----
			43,281
42,501			
=====			=====

</TABLE>

* A summary of the adjustments to BP Amoco shareholders' interest which would be required if generally accepted accounting principles in the United States had been applied instead of those generally accepted in the United Kingdom is given in Note 44.

The Notes to Financial Statements are an integral part of this Balance Sheet.

<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS

<TABLE>
<CAPTION>

		Years ended	
December 31,			
	Note	1999	1998
1997			
		(\$ million)	
<S>	<C>	<C>	<C>
<C>			
NET CASH INFLOW FROM OPERATING ACTIVITIES.....	31	10,290	9,586
15,558			
DIVIDENDS FROM JOINT VENTURES.....		949	544
190			
DIVIDENDS FROM ASSOCIATED UNDERTAKINGS.....		219	422
551			
SERVICING OF FINANCE AND RETURNS ON INVESTMENTS			
Interest received.....		179	223
243			
Interest paid.....		(1,065)	(961)
(911)			
Dividends received.....		34	43
13			
Dividends paid to minority shareholders.....		(151)	(130)
--			
NET CASH OUTFLOW FROM SERVICING OF FINANCE AND			
RETURNS ON INVESTMENTS.....		(1,003)	(825)
(655)			
TAXATION			
UK corporation tax.....		(559)	(391)
(500)			
Overseas tax.....		(701)	(1,314)
(1,773)			
TAX PAID.....		(1,260)	(1,705)
(2,273)			
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT			
Payments for fixed assets.....		(6,457)	(8,431)
(8,600)			
Purchase of shares for employee share schemes.....		(77)	(254)
(300)			

Proceeds from the sale of fixed assets.....	18	1,149	1,387
1,468		-----	-----

NET CASH OUTFLOW FOR CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT		(5,385)	(7,298)
(7,432)		-----	-----

ACQUISITIONS AND DISPOSALS			
Investments in associated undertakings.....		(197)	(396)
(1,021)			
Acquisitions.....	17	(102)	(314)

Net investment in joint ventures.....		(750)	708
(1,967)			
Proceeds from the sale of businesses.....	18	1,292	780
364		-----	-----

NET CASH INFLOW (OUTFLOW) FOR ACQUISITIONS AND DISPOSALS		243	778
(2,624)		-----	-----

EQUITY DIVIDENDS PAID.....		(4,135)	(2,408)
(2,437)		-----	-----

NET CASH (OUTFLOW) INFLOW		(82)	(906)
878		=====	=====
=====			
FINANCING.....	31	(954)	(377)
1,012			
MANAGEMENT OF LIQUID RESOURCES.....	31	(93)	(596)
(167)			
INCREASE IN CASH.....	31	965	67
33		-----	-----

		(82)	(906)
878		=====	=====
=====			
</TABLE>			

STATEMENT OF TOTAL RECOGNIZED GAINS AND LOSSES

<TABLE>
<CAPTION>

December 31,	Years ended	

	1999	1998
1997	-----	-----

	(\$ million)	

<S>	<C>	<C>
<C>		
PROFIT FOR THE YEAR.....	5,008	3,220
5,673		
Currency translation differences.....	(921)	55
(1,587)		
-----	-----	-----
TOTAL RECOGNIZED GAINS AND LOSSES RELATING TO THE YEAR	4,087	3,275
4,086		
=====		=====
Prior year adjustment -- change in accounting policy..	715	

Total recognized gains and losses.....	4,802	
	=====	
</TABLE>		

For a cash flow statement and a statement of comprehensive income prepared on the basis of US GAAP see Note 44 -- US generally accepted accounting principles.

The Notes to Financial Statements are an integral part of these Statements.

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BP AMOCO p.l.c. AND SUBSIDIARIES
STATEMENT OF CHANGES IN BP AMOCO SHAREHOLDERS' INTEREST

On October 4, 1999 the parent company's authorised share capital of 12 billion ordinary shares of 50 cents each was subdivided into 24 billion ordinary shares of 25 cents amounting to \$6 billion. Also outstanding are preference shares of L12,750,000 (\$21 million). Also during the year 51,842,146 ordinary shares were issued under the share dividend plan by capitalization of the share premium account and 66,162,232 ordinary shares were issued under employee share schemes. The authorized ordinary share capital of BP Amoco p.l.c. at December 31, 1998 was 12 billion ordinary shares of 50 cents each and at December 31, 1997 the authorised ordinary share capital was 7,949 million ordinary shares of 25 pence each.

The allotted share capital at December 31, was as follows:

<TABLE>
<CAPTION>

	Shares	
	Authorized	Issued
Amount		
-----	-----	-----
		(\$ million)
<S>	<C>	<C>
<C>		
NON-EQUITY-- PREFERENCE SHARES		
8% cumulative first preference		
shares of L1 each at		
December 31, 1999, 1998 and 1997....	7,250,000	7,232,838
12		
	=====	=====
=====		
9% cumulative second preference		
shares of L1 each at		

=====

EQUITY--ORDINARY SHARES OF 25 CENTS EACH

Authorized
December 31, 1999..... 24,000,000,000
=====

</TABLE>

<TABLE>
<CAPTION>

Years ended December 31,

1997	1999		1998		
	-----		-----		
ISSUED	Shares of		Shares of		
Shares of	25 cents each	Amount	50 cents each	Amount	50
cents each Amount	-----		-----		
	(thousands) (\$ million)		(thousands) (\$ million)		
(thousands) (\$ million)					
<S>	<C>	<C>	<C>	<C>	
<C>					
January 1.....	19,366,020	4,842	9,597,793	4,309	
9,598,573 4,361					
Employee share schemes...	66,162	16	29,833	13	
40,407 18					
Share dividend plan.....	51,842	13	110,285	46	
87,179 36					
Share repurchases.....	--	--	(54,901)	(27)	
(128,366) (64)					
Redenomination of shares					
into US dollars.....	--	--	--	484	
-- --					
Exchange adjustment.....	--	--	--	17	
-- (42)					
	-----	-----	-----	-----	
December 31.....	19,484,024	4,871	9,683,010	4,842	
9,597,793 4,309					
	=====	=====	=====	=====	
=====					
PAID IN SURPLUS					
January 1.....		3,386		3,777	
3,733					
Premium on shares issued:					
Employee share schemes.		311		117	
144					
Share dividend plan ...		(13)		(46)	
(36)					
Exchange adjustment.....		--		22	
(64)					
Redenomination of shares					

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into US dollars..... (484)

December 31.....	3,684	3,386
3,777		

The Notes to Financial Statements are an integral part of this Statement.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
STATEMENT OF CHANGES IN BP AMOCO SHAREHOLDERS' INTEREST (CONCLUDED)

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
Category 18	Value 18
Category 19	Value 19
Category 20	Value 20
Category 21	Value 21
Category 22	Value 22
Category 23	Value 23
Category 24	Value 24
Category 25	Value 25
Category 26	Value 26
Category 27	Value 27
Category 28	Value 28
Category 29	Value 29
Category 30	Value 30
Category 31	Value 31
Category 32	Value 32
Category 33	Value 33
Category 34	Value 34
Category 35	Value 35
Category 36	Value 36
Category 37	Value 37
Category 38	Value 38
Category 39	Value 39
Category 40	Value 40
Category 41	Value 41
Category 42	Value 42
Category 43	Value 43
Category 44	Value 44
Category 45	Value 45
Category 46	Value 46
Category 47	Value 47
Category 48	Value 48
Category 49	Value 49
Category 50	Value 50
Category 51	Value 51
Category 52	Value 52
Category 53	Value 53
Category 54	Value 54
Category 55	Value 55
Category 56	Value 56
Category 57	Value 57
Category 58	Value 58
Category 59	Value 59
Category 60	Value 60
Category 61	Value 61
Category 62	Value 62
Category 63	Value 63
Category 64	Value 64
Category 65	Value 65
Category 66	Value 66
Category 67	Value 67
Category 68	Value 68
Category 69	Value 69
Category 70	Value 70
Category 71	Value 71
Category 72	Value 72
Category 73	Value 73
Category 74	Value 74
Category 75	Value 75
Category 76	Value 76
Category 77	Value 77
Category 78	Value 78
Category 79	Value 79
Category 80	Value 80
Category 81	Value 81
Category 82	Value 82
Category 83	Value 83
Category 84	Value 84
Category 85	Value 85
Category 86	Value 86
Category 87	Value 87
Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

Years ended

December 31,

1997

1999 1998

<S>

(\$ million)

<C>

MERGER RESERVE

January 1.....	673
Employee share schemes.....	92
Share repurchases.....	(115)

697 650

-- 97

-- (50)

December 31.....
650

697 697

RETAINED EARNINGS

January 1.....	32,231
Profit for the year.....	5,673
Exchange adjustment.....	(1,481)
Share repurchases.....	(1,243)
Dividends (c)	
Preference (non-equity).....	(1)
Ordinary (equity).....	(3,451)
Qualifying Employee Share Ownership Trust (d).....	--
Share dividend plan.....	
907	

33,555 33,746

5,008 3,220

(921) 16

-- (507)

(2) (1)

(3,882) (4,120)

(61) (42)

311 1,243

December 31.....	34,008	33,555
32,635	=====	=====
Prior year adjustment - change in accounting policy (Note 43).....		
1,111		
December 31, 1997-- as restated.....		
33,746		

=====
</TABLE>

- (a) During 1999, 51,842,146 Ordinary Shares (1998, 110,285,094 and 1997, 87,179,495) were issued under the share dividend plan at par value, by capitalization of paid in surplus.
- (b) Voting on substantive resolutions tabled at a general meeting is on a poll. On a poll, shareholders present in person or by proxy have two votes for every £5 in nominal amount of the first and second preference shares held and one vote for every ordinary share held. On a show of hands vote on other resolutions (procedural matters) at a general meeting, shareholders present in person or by proxy have one vote each.
- In the event of the winding up of the company preference shareholders would be entitled to a sum equal to the capital paid up on the preference shares plus an amount in respect of accrued and unpaid dividends and a premium equal to the higher of (i) 10% of the capital paid up on the preference shares and (ii) the excess of the average market price of such shares on the London Stock Exchange during the previous six months over par value.
- (c) See Note 10 -- Dividends.
- (d) See Note 33 -- Employee share schemes.
- (e) See Note 30 -- Retained earnings.

The Notes to Financial Statements are an integral part of this Statement.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS

NOTE 1 -- ACCOUNTING POLICIES

ACCOUNTING STANDARDS

These accounts are prepared in accordance with applicable UK accounting standards. The Group has adopted Financial Reporting Standard No.12 'Provisions, Contingent Liabilities and Contingent Assets' (FRS12) and Financial Reporting Standard No.13 'Derivatives and Other Financial Instruments: Disclosures' (FRS13) with effect from January 1,1999.

The financial information for 1998 and 1997 has been restated to comply
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with the requirements of FRS12. See Note 43 for further information.

BASIS OF PREPARATION

The Group's main activities are the exploration and production of crude oil and natural gas; the refining, marketing, supply and transportation of petroleum products; and the manufacturing and marketing of petrochemicals.

The preparation of financial statements in conformity with UK generally accepted accounting principles requires that management make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses; and the disclosure of contingent assets and liabilities. Actual results could differ from the estimates and assumptions used.

GROUP CONSOLIDATION

The Group financial statements comprise a consolidation of the accounts of the parent company and its subsidiary undertakings (subsidiaries). The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passes.

An associated undertaking (associate) is an entity in which the Group has a long-term equity interest and over which it exercises significant influence. The consolidated financial statements include the Group proportion of the operating profit or loss, exceptional items, stock holding gains or losses, interest expense, taxation and net assets of associates (the equity method).

A joint venture is an entity in which the Group has a long-term interest and shares control with one or more co-venturers. The consolidated financial statements include the Group proportion of turnover, operating profit or loss, exceptional items, stock holding gains or losses, interest expense, taxation, gross assets and gross liabilities of the joint venture (the gross equity method).

Certain of the Group's activities are conducted through joint arrangements and are included in the consolidated financial statements in proportion to the Group's interest in the income, expenses, assets and liabilities of these joint arrangements.

On the acquisition of a subsidiary, or of an interest in a joint venture or associated undertaking, fair values reflecting conditions at the date of acquisition are attributed to the identifiable net assets acquired. When the cost of acquisition exceeds the fair values attributable to the Group's share of such net assets the difference is treated as purchased goodwill. This is capitalized and amortized over its estimated useful economic life, limited to a maximum period of 20 years.

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BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 -- ACCOUNTING POLICIES (CONTINUED)

ACCOUNTING CONVENTION

The accounts are prepared under the historical cost convention. Historical cost accounts show the profits available to shareholders and are the most appropriate basis for presentation of the Group's balance sheet. Profit or loss determined under the historical cost convention includes stock holding gains or losses and, as a consequence, does not necessarily reflect underlying trading results.

REPLACEMENT COST

The results of individual businesses and geographical areas are presented on a replacement cost basis. Replacement cost operating results exclude stock holding gains or losses and reflect the average cost of supplies incurred during the year, and thus provide insight into underlying trading results. Stock holding gains or losses represent the difference between the replacement cost of sales and the historical cost of sales calculated using the first-in first-out method.

INVENTORY VALUATION

Inventories are valued at cost to the Group using the first-in first-out method or at net realizable value, whichever is the lower. Stores are stated at or below cost calculated mainly using the average method.

FOREIGN CURRENCIES

On consolidation, assets and liabilities of subsidiary undertakings are translated into US dollars at closing rates of exchange. Income and cash flow statements are translated at average rates of exchange. Exchange differences resulting from the retranslation of net investments in subsidiary and associated undertakings at closing rates, together with differences between income statements translated at average rates and at closing rates, are dealt with in reserves. Exchange gains and losses arising on long-term foreign currency borrowings used to finance the Group's foreign currency investments are also dealt with in reserves. All other exchange gains or losses on settlement or translation at closing rates of exchange of monetary assets and liabilities are included in the determination of profit for the year.

DERIVATIVE FINANCIAL INSTRUMENTS

The Group uses derivative financial instruments (derivatives) to manage certain exposures to fluctuations in foreign currency exchange rates and interest rates, and to manage some of its margin exposure from changes in oil and natural gas prices. Derivatives are also traded in conjunction with these risk management activities.

The purpose for which a derivative contract is used is identified at inception. To qualify as a derivative for risk management, the contract must be in accordance with established guidelines which ensure that it is effective in achieving its objective. All contracts not identified at inception as being for the purpose of risk management are designated as being held for trading purposes, as are all oil price derivatives, and accounted for using the fair value method.

The Group accounts for derivatives using the following methods:

FAIR VALUE METHOD: derivatives are carried on the balance sheet at fair value ('marked to market') with changes in that value recognized in earnings of the period. This method is used for all derivatives which are held for trading purposes. Interest rate contracts traded by the Group include futures, swaps, options and swaptions. Foreign exchange contracts traded include forwards and options. Oil price contracts traded include swaps, options and futures.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 -- ACCOUNTING POLICIES (CONTINUED)

DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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ACCRUAL METHOD: amounts payable or receivable in respect of derivatives are recognized ratably in earnings over the period of the contracts. This method is used for derivatives held to manage interest rate risk. These are principally swap agreements used to manage the balance between fixed and floating interest rates on long-term finance debt. Other derivatives held for this purpose may include swaptions and futures contracts. Amounts payable or receivable in respect of these derivatives are recognized as adjustments to interest expense over the period of the contracts. Changes in the derivative's fair value are not recognized.

DEFERRAL METHOD: gains and losses from derivatives are deferred and recognized in earnings or as adjustments to carrying amounts, as appropriate, when the underlying debt matures or the hedged transaction occurs. This method is used for derivatives used to convert non-US dollar borrowings into US dollars, to hedge significant non-US dollar firm commitments or anticipated transactions, and to manage some of the Group's exposure to natural gas price fluctuations. Derivatives used to convert non-US dollar borrowings into US dollars include foreign currency swap agreements and forward contracts. Gains and losses on these derivatives are deferred and recognized on maturity of the underlying debt, together with the matching loss or gain on the debt. Derivatives used to hedge significant non-US dollar transactions include foreign currency forward contracts and options and to hedge natural gas price exposures include swaps, futures and options. Gains and losses on these contracts and option premia paid are also deferred and recognized in the income statement or as adjustments to carrying amounts, as appropriate, when the hedged transaction occurs.

Where derivatives used to manage interest rate risk or to convert non-US dollar debt or to hedge other anticipated cash flows are terminated before the underlying debt matures or the hedged transaction occurs, the resulting gain or loss is recognized on a basis which matches the timing and accounting treatment of the underlying debt or hedged transaction. When an anticipated transaction is no longer likely to occur or finance debt is terminated before maturity, any deferred gain or loss that has arisen on the related derivative is recognized in the income statement together with any gain or loss on the terminated item.

DEPRECIATION

Oil and gas production assets are depreciated using a unit-of-production method based upon estimated proved reserves. Other tangible and intangible assets are depreciated on the straight line method over their estimated useful lives. The average estimated useful lives of refineries are 20 years, chemicals manufacturing plants 20 years and service stations 15 years. Other intangibles are amortized over a maximum period of 20 years.

The Group undertakes a review for impairment of a fixed asset or goodwill if events or changes in circumstances indicate that the carrying amount of the fixed asset or goodwill may not be recoverable. To the extent that the carrying amount exceeds the recoverable amount, that is the higher of net realizable value and value in use, the fixed asset or goodwill is written down to its recoverable amount. The value in use is determined from estimated discounted future net cash flows.

MAINTENANCE EXPENDITURE

Expenditure on major maintenance, refits or repairs is capitalized where it enhances the performance of an asset above its originally assessed standard of performance; replaces an asset or part of an asset which was separately depreciated and which is then written off; or restores the economic benefits of an asset which has been fully depreciated. All other maintenance expenditure is charged to income as incurred.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 -- ACCOUNTING POLICIES (CONTINUED)

EXPLORATION EXPENDITURE

Exploration expenditure is accounted for in accordance with the successful efforts method. Exploration and appraisal drilling expenditure is initially capitalized as an intangible fixed asset. When proved reserves of oil and natural gas are determined and development is sanctioned, the relevant expenditure is transferred to tangible production assets. All exploration expenditure determined as unsuccessful is charged against income. Exploration licence acquisition costs are amortized over the estimated period of exploration. Geological and geophysical exploration costs are charged against income as incurred.

DECOMMISSIONING

Provision for decommissioning is recognized in full at the commencement of oil and natural gas production. The amount recognized is the present value of the estimated future expenditure determined in accordance with local conditions and requirements. A corresponding tangible fixed asset of an amount equivalent to the provision is also created. This is subsequently depreciated as part of the capital costs of the production and transportation facilities. Any change in the present value of the estimated expenditure is reflected as an adjustment to the provision and the fixed asset.

PETROLEUM REVENUE TAX

The charge for petroleum revenue tax is calculated using a unit-of-production method.

CHANGES IN UNIT-OF-PRODUCTION FACTORS

Changes in factors which affect unit-of-production calculations are dealt with prospectively, not by immediate adjustment of prior years' amounts.

ENVIRONMENTAL LIABILITIES

Environmental expenditures that relate to current or future revenues are expensed or capitalized as appropriate. Expenditures that relate to an existing condition caused by past operations and that do not contribute to current or future earnings are expensed.

Liabilities for environmental costs are recognized when environmental assessments or clean-ups are probable and the associated costs can be reasonably estimated. Generally, the timing of these provisions coincides with the commitment to a formal plan of action or, if earlier, on divestment or on closure of inactive sites. The amount recognized is the best estimate of the expenditure required. Where the liability will not be settled for a number of years the amount recognized is the present value of the estimated future expenditure.

LEASES

Assets held under leases which result in Group companies receiving substantially all risks and rewards of ownership (finance leases) are capitalized as tangible fixed assets at the estimated present value of underlying lease payments. The corresponding finance lease obligation is included with borrowings. Rentals under operating leases are charged against

income as incurred.

RESEARCH

Expenditure on research is written off in the year in which it is incurred.

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BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1 -- ACCOUNTING POLICIES (CONCLUDED)

INTEREST

Interest is capitalized gross during the period of construction where it relates either to the financing of major projects with long periods of development or to dedicated financing of other projects. All other interest is charged against income.

PENSIONS AND OTHER POSTRETIREMENT BENEFITS

The cost of providing pensions and other postretirement benefits is charged to income on a systematic basis, with pension surpluses and deficits amortized over the average expected remaining service lives of current employees. The difference between the amounts charged to income and the contributions made to pension plans is included within other provisions or debtors as appropriate. The amounts accrued for other postretirement benefits and unfunded pension liabilities are included within other provisions.

DEFERRED TAXATION

Deferred taxation is calculated, using the liability method, in respect of timing differences arising primarily from the difference between the accounting and tax treatments of both depreciation and petroleum revenue tax. Provision is made or recovery anticipated where timing differences are expected to reverse in the foreseeable future.

DISCOUNTING

The unwinding of the discount on provisions is included within interest expense. Any change in the amount recognized for environmental and other provisions arising through changes in discount rates is included within interest expense.

COMPARATIVE FIGURES

Certain previous years' figures have been restated to conform with the 1999 presentation.

NOTE 2 -- TURNOVER

<TABLE>
<CAPTION>

December 31,	Years ended	
	1999	1998
-----	-----	-----
1997		

(\$ million)

	<C>	<C>
<S>		
<C>		
Sales and operating revenue.....	91,891	76,448
100,913		
Customs duties and sales taxes.....	8,325	8,144
9,153		
-----	-----	-----
91,760	83,566	68,304
=====	=====	=====
</TABLE>		

NOTE 3 -- PRODUCTION TAXES

<TABLE>
<CAPTION>

December 31,

1997

	Years ended	
	1999	1998
-----	-----	-----
	(\$ million)	
<S>	<C>	<C>
<C>		
UK petroleum revenue tax.....	237	45
306		
Overseas production taxes.....	780	559
1,001		
-----	-----	-----
1,307	1,017	604
=====	=====	=====
</TABLE>		

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4 -- DISTRIBUTION AND ADMINISTRATION EXPENSES

<TABLE>
<CAPTION>

December 31,

1997

	Years ended	
	1999	1998
-----	-----	-----
	(\$ million)	
<S>	<C>	<C>
<C>		
Distribution.....	5,031	4,714
5,178		

Administration.....	1,033	1,330
1,564	-----	-----

6,742	6,064	6,044
=====	=====	=====

</TABLE>

NOTE 5 -- OTHER INCOME

<TABLE>

<CAPTION>

December 31,	Years ended	
--------------	-------------	--

-----	1999	1998
1997	-----	-----

	(\$ million)	
<S>	<C>	<C>

Income from other fixed asset investments.....	66	74
101		
other interest and miscellaneous income.....	348	635
561	-----	-----

662	414	709
=====	=====	=====

Income from investments publicly traded included above	14	10
19	-----	-----

</TABLE>

NOTE 6 -- EXCEPTIONAL ITEMS

Exceptional items comprise profit (loss) on sale of businesses and fixed assets, restructuring costs, merger expenses, refinery network rationalization costs and European refining and marketing joint venture implementation costs as follows:

<TABLE>

<CAPTION>

December 31,	Years ended	
--------------	-------------	--

-----	1999	1998
1997	-----	-----

	(\$ million)	
<S>	<C>	<C>

Profit on sale of businesses		
--Group.....	427	310

250		
--Joint ventures.....	42	85
Loss on sale of businesses		
--Group.....	(890)	--
--Joint ventures.....	--	--
(123)		
	-----	-----
	(421)	395
127		
Profit (loss) on sale of fixed assets -- Group.....	84	653
313		
	-----	-----
	(337)	1,048
440		
Restructuring costs -- Group.....	(1,900)	--
--		
Restructuring costs -- Joint ventures.....	(43)	--
--		
Merger expenses -- Group.....	--	(198)
--		
Refinery network rationalization -- Group.....	--	--
(47)		
European refining and marketing joint venture		
implementation -- Group.....	--	--
(265)		
	-----	-----
Exceptional items.....	(2,280)	850
128		
Taxation credit (charge):		
Sale of businesses.....	(21)	(36)
(7)		
Sale of fixed assets.....	(29)	(185)
(208)		
Restructuring costs.....	280	--
--		
Merger expenses.....	--	23
--		
Refinery network rationalization.....	--	--
24		
European refinery and marketing joint venture implementation	--	--
53		
	-----	-----
Exceptional items, net of tax.....	(2,050)	652
(10)		
	=====	=====
=====		
</TABLE>		

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

SALES OF BUSINESSES AND FIXED ASSETS

The profit on sale of businesses during 1999 relates mainly to the
Page 134

divestment by the Group of its Canadian oil properties and certain chemicals businesses. These included the verdugt acid salts business; the Plaskon electronics materials business located in the USA and Singapore; and the US Fibers and Yarns business. The profit on sale of businesses by joint ventures is mainly attributable to the disposal by the BP/Mobil joint venture of its retail network in Hungary.

The major elements of the loss on sale of businesses or termination of operations in 1999 are the disposal by the Group of its interest in the Pedernales oil field in Venezuela and the closure of its paraxylene joint venture in Singapore.

For 1999 the sale of fixed assets includes the Federal Trade Commission-mandated sale of distribution terminals and service stations in the USA; the divestment by the Group of its interest in an olefins cracker at wilton in the UK and the sale and leaseback of US railcars.

In 1998 the principal sales of businesses were exploration and production properties in the USA and Papua New Guinea, the retail network in the Czech Republic, the Adibis fuel additives business and a speciality chemicals distribution business. The profit on sale of businesses by joint ventures relates mainly to the disposal by the BP/Mobil joint venture of its retail network in Belgium. In 1998 the profit on the sale of fixed assets arose principally from the divestment of the refinery in Lima, Ohio, and the sale and leaseback of the Amoco building in Chicago.

In 1997 the major disposals were the sale of US exploration and production properties and an intrastate natural gas pipeline in Texas. Other divestments included oil marketing assets in Thailand and advanced materials and plastic resin businesses in the UK. The loss on sale of businesses by joint ventures related principally to the costs of the BP/Mobil joint venture terminating base oil manufacturing operations at Llandarcy in the UK.

Additional information on the sale of businesses and fixed assets is given in Note 18 - Disposals.

RESTRUCTURING COSTS

These costs arising from restructuring activity across the Group following the merger of BP and Amoco at the end of 1998 and relate predominantly to the Group's US operations. The major elements of the restructuring charges comprise employee severance costs (\$1,212 million) and provisions to cover future rental payments on surplus leasehold office accommodation and other property (\$297 million). During 1999 some 16,000 employees left the Group through severance or outsourcing arrangements. Also included in the restructuring charges are office closure costs, contract termination payments and asset write-downs. The cash outflow for these restructuring charges during the year was \$976 million.

MERGER EXPENSES

BP Amoco incurred fees and expenses of \$198 million in connection with the merger. These costs relate principally to investment banking fees as well as legal, accounting and regulatory filing fees.

REFINERY NETWORK RATIONALIZATION

The net charge for refinery network rationalization in 1997 of \$47 million (1996 \$24 million) represents the balance of the costs associated with the rationalization of the BP Amoco Group's international refining system announced in 1995.

EUROPEAN REFINING AND MARKETING JOINT VENTURE IMPLEMENTATION

The one-off costs associated with the setting up of the European refining and marketing joint venture with Mobil in 1997 were \$265 million. These costs represent the BP Amoco Group's share of charges for severance, restructuring, rebranding and other implementation charges.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7 -- INTEREST EXPENSE

<TABLE>

<CAPTION>

December 31, -----	Years ended	
	1999	1998
1997 -----	-----	-----
	(\$ million)	
<S>	<C>	<C>
<C>		
Bank loans and overdrafts.....	119	158
188		
Other loans.....	854	762
651		
Finance leases.....	75	90
102		
-----	-----	-----
	1,048	1,010
941		
Capitalized.....	43	119
116		
-----	-----	-----
Group.....	1,005	891
825		
Joint ventures.....	70	54
--		
Associated undertakings.....	131	108
83		
Unwinding of discount on provisions (Note 43).....	130	124
127		
Change in discount rate for provisions (Note 43).....	(20)	--
--		
-----	-----	-----
Total charged against profit.....	1,316	1,177
1,035	=====	=====

</TABLE>

Interest expense includes a charge of \$24 million (1998 \$12 million and 1997 nil) relating to early redemption of debt.

NOTE 8 -- DEPRECIATION AND AMOUNTS PROVIDED

<TABLE>

<CAPTION>

Years ended

December 31.

1999	1998
------	------

1997

(\$ million)

<S>

<C>

Depreciation:

Replacement cost of sales.....

4.185 4.666

4.631

Distribution.....

408 335

390

Administration.....

115	100
-----	-----

88

Exceptional items.....

258 --

8

— — — — —

4,966 5,101

5,117

==

Depreciation of capitalized leased assets included above

70 71

76

Amounts provided against fixed asset investments:

Exceptional items.....

84

—

Replacement cost of sales.....

(1) 200

—

83 200

- 7 -

三三三三三

</TABLE>

The rationalization of office and other facilities in 1999 following the merger resulted in the write-off of redundant IT and other office equipment and furnishings. This charge of \$258 million has been included within exceptional items. In addition for 1999 the charge for depreciation includes \$100 million for the impairment of the Badami field in Alaska and \$123 million for the write-down of various Chemicals and Refining and Marketing assets.

The charge for depreciation in 1998 included \$214 million for the impairment of the Opon field in Colombia and \$61 million for the write-down of various other oil and natural gas properties. The impairment of the Opon field reflected lower than anticipated natural gas production and related reserve estimates. The charge also reflected impairment of the adjacent power plant because of the unavailability of an economic fuel supply. As a result of increased economic uncertainty in Russia, the Group wrote down the carrying value of its investment in A O Sidanco by \$200 million.

In assessing the value in use of potentially impaired assets, a discount rate of 10% has been used.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 -- TAXATION

CHARGE FOR TAXATION

<TABLE>

<CAPTION>

December 31, -----	Years ended	
	1999	1998
1997 -----	-----	-----
	(\$ million)	
	<C>	<C>
United Kingdom corporation tax:		
Current at 30.25% (1998 at 31.0% and 1997 at 31.5%)	875	1,325
1,329		
Overseas tax relief.....	(363)	(566)
(777)	-----	-----
-----	512	759
552		
Deferred at 30.0% (1998 at 31.0% and 1997 at 31.5%)	91	(188)
217	-----	-----
-----	603	571
769		
Advance corporation tax.....	--	(76)
(116)	-----	-----
-----	603	495
653	-----	-----

Overseas:		
Current.....	1,143	896
2,247		
Deferred.....	30	(4)
7		
Joint ventures.....	5	(15)
--		
Associated undertakings.....	99	148
106	-----	-----
-----	1,277	1,025
2,360	-----	-----

Taxation charge for the year.....	1,880	1,520
3,013	=====	=====

=====
</TABLE>

Included in the charge for the year is a credit of \$230 million (1998 \$198 million charge and 1997 \$138 million charge) relating to exceptional items.

PROVISIONS FOR DEFERRED TAXATION

<TABLE>
<CAPTION>

potential liability	Gross Provisions		
	Years ended December		
31,	1999	1998	1999
1998	-----	-----	-----
-----	-----	-----	-----
	(\$ million)		
<S>	<C>	<C>	<C>
<C>			
Analysis of movements during the year:			
At January 1.....	1,632	1,183	6,618
5,817			
Exchange adjustments.....	30	37	(42)
20			
Charge (credit) for the year.....	121	(192)	563
177			
Deletions/transfers.....	--	604	--
604			
-----	-----	-----	-----
At December 31.....	1,783	1,632	7,139
6,618	=====	=====	=====
-----	-----	-----	-----
of which -- United Kingdom.....	1,015	927	1,482
1,577			
-- overseas.....	768	705	5,657
5,041	=====	=====	=====

=====
</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 -- TAXATION (CONTINUED)

<TABLE>
<CAPTION>

Provisions

Years ended December

1999 1998 1999

(\$ million)

Depreciation.....	2,567	2,413	10,279
Petroleum revenue tax.....	(332)	(420)	(332)
Other timing differences.....	(452)	(328)	(2,808)
Advance corporation tax.....	--	(33)	--

1,783 1,632 7,139

If provision for deferred taxation had been made on the basis of the gross potential liability, the taxation charge for the year would have been increased (decreased) as follows:

Years ended

1999 1998

(\$ million)

(185) (40)

442 369

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Deferred taxation is not generally provided in respect of liabilities which may arise on the distribution of accumulated reserves of overseas subsidiaries, joint ventures and associates.

RECONCILIATION OF THE UK STATUTORY TAX RATE TO THE EFFECTIVE TAX RATE OF THE GROUP ON REPLACEMENT COST PROFIT BEFORE EXCEPTIONAL ITEMS

<TABLE>
<CAPTION>

December 31, ----- 1997 -----	Years ended	
	1999	1998
	-----	-----
(% of profit before tax)		
<S>	<C>	<C>
<C>		
United Kingdom statutory tax rate.....	30	31
31		
Increase (decrease) resulting from:		
Current year timing differences not provided (including		
current year losses unrelieved/prior year losses utilized)....	(10)	(6)
(4)		
Tax on inventory holding gains (relief for inventory		
holding losses).....	2	(3)
(1)		
Overseas taxes at higher rates.....	5	4
4		
Tax credits.....	--	(2)
(2)		
Advance corporation tax.....	--	(1)
(1)		
Other.....	1	2
3		
-----	-----	-----
Effective tax rate on replacement cost profit before		
exceptional items.....	28	25
30		
	=====	=====

=====
</TABLE>

Further information presented in compliance with the requirements of FASB Statement of Financial Accounting Standards No. 109 -- 'Accounting For Income Taxes' is set out below.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9 -- TAXATION (CONCLUDED)

EFFECTIVE TAX RATE

<TABLE>
<CAPTION>

December 31,	Years ended	
	1999	1998
1997		
		(\$ million)
<S>	<C>	<C>
<C>		
Analysis of profit before taxation:		
United Kingdom.....	1,663	2,269
3,305		
Overseas.....	5,363	2,534
5,532		
	7,026	4,803
8,837		
Taxation.....	1,880	1,520
3,013		
Effective tax rate.....	27%	32%
34%		
</TABLE>		

The following relates the United Kingdom statutory tax rate to the effective tax rate of the Group based on profit before taxation:

December 31,	Years ended	
	1999	1998
1997		
		(% of profit before
tax)		
<S>	<C>	<C>
<C>		
United Kingdom statutory tax rate.....	30	31
31		
Increase (decrease) resulting from:		
Current year timing differences not provided.....	(9)	(12)
(3)		
(Prior year losses utilized) current year		
losses unrelieved.....	2	5
(2)		
(Inventory holding gains not taxed) no relief for		
inventory holding losses.....	(5)	5
2		
Overseas taxes at higher rates.....	5	7
6		

2000-03 BP Annual Rpt (20F) for 1999.txt

Tax credits.....	--	(2)
(2)		
Advance corporation tax.....	--	(2)
(1)		
Amortization of purchase price allocation.....	1	1
1		
Other	3	(1)
2		
-----	-----	-----
Effective tax rate.....	27	32
34		
	=====	=====

</TABLE>

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 10 -- DIVIDENDS PER ORDINARY SHARE

<TABLE>

<CAPTION>

Years ended December 31,

	1999	1998	1997	1999	1998	1997	1999
1998 1997							
	(pence per share)			(cents per share)		(\$	
million)							
BP AMOCO							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
<C>							
Dividends per ordinary share:							
First quarterly.....	3.069	--	--	5.00	--	--	970
Second quarterly.....	3.112	--	--	5.00	--	--	970
Third quarterly.....	3.033	--	--	5.00	--	--	971
Fourth quarterly.....	3.125	3.059	--	5.00	5.00	--	971
968							
	12.339	3.059	--	20.00	5.00	--	3,882
968							

BP

Dividends per ordinary share:

First quarterly.....

551 490

Second quarterly.....

579 517

Third quarterly.....

519

Fourth quarterly.....

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-- 543

		8.875	11.00	14.75	18.04
1,714	2,069				
AMOCO					
Dividends per common stock:					
First quarterly.....				18.75	17.50
362	345				
Second quarterly.....				18.75	17.50
360	349				
Third quarterly.....				18.75	17.50
358	344				
Fourth quarterly.....				18.75	17.50
358	344				
				75.0	70.00
1,438	1,382				
Total Group.....					
4,120	3,451				3,882
</TABLE>					

</TABLE>

On an ordinary share equivalent basis, the Amoco quarterly dividends for 1998 were 4.7 cents and 1997 4.4 cents.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11 -- PROFIT PER ORDINARY SHARE

<TABLE>

<CAPTION>

December 31,	Years ended	
	1999	1998
1997		
(cents per		
share)		
<S>	<C>	<C>
<C>		
Basic earnings per share.....	25.82	16.77
29.56		
Diluted earnings per share.....	25.68	16.70
29.41		

</TABLE>

The calculation of basic earnings per ordinary share is based on the profit attributable to ordinary shareholders, i.e. profit for the year less preference dividends, related to the weighted average number of ordinary shares in issue

during the year. The weighted average number of shares has been adjusted for the subdivision (2 for 1 share split) of ordinary shares effective October 4, 1999. The profit attributable to ordinary shareholders is \$5,006 million (1998 \$3,219 million and 1997 \$5,672 million). The average number of shares outstanding excludes the shares held by the Employee Share Ownership Plans.

The calculation of diluted earnings per share is based on profit attributable to ordinary shareholders as for basic earnings per share. However, the number of shares outstanding is adjusted to show the potential dilution if employee share options are converted into ordinary shares. The number of ordinary shares outstanding for basic and diluted earnings per share may be reconciled as follows:

<TABLE>
<CAPTION>

December 31,	Years ended	
	1999	1998
-----	-----	-----
1997	1999	1998
-----	-----	-----
million)	(shares	
<S>	<C>	<C>
<C>		
Weighted average number of ordinary shares.....	19,386	19,192
19,184		
Ordinary shares issuable under employee share schemes.....	111	84
98		
-----	-----	-----
19,282	19,497	19,276
=====	=====	=====

</TABLE>

In addition to basic earnings per share based on the historical cost profit for the year, a further measure, based on replacement cost profit before exceptional items, is provided as it is considered that this measure gives an indication of underlying performance.

<TABLE>
<CAPTION>

December 31,	Years ended	
	1999	1998
-----	-----	-----
1997	1999	1998
-----	-----	-----
share)	(cents per	
<S>	<C>	<C>
<C>		
Profit for the year.....	25.82	16.77
29.56		
Inventory holding (gains) losses.....	(8.91)	7.25
4.89		
-----	-----	-----

Replacement cost profit for the year.....	16.91	24.02
34.45		
Exceptional items, net of tax.....	10.57	(3.40)
0.06		
-----	-----	-----
Replacement cost profit before exceptional items.....	27.48	20.62
34.51		
=====	=====	=====
</TABLE>		

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 12-- QUARTERLY RESULTS OF OPERATIONS (UNAUDITED)

<TABLE>

<CAPTION>

Profit per ordinary share	Group turnover	Historical cost profit before interest and tax	Profit (loss)
-----	-----	-----	-----
(cents)		(\$ million)	
<S>	<C>	<C>	<C>
<C>			
Year ended December 31, 1999			
First quarter.....	17,984	195	(176)
(0.91)			
Second quarter.....	22,939	2,461	1,635
8.44			
Third quarter.....	26,665	2,990	1,848
9.53			
Fourth quarter.....	33,592	2,696	1,701
8.76			
-----	-----	-----	-----
Total.....	101,180	8,342	5,008
25.82	=====	=====	=====
=====			
Year ended December 31, 1998			
First quarter.....	21,516	1,376	639
3.32			
Second quarter.....	20,969	1,845	991
5.17			
Third quarter.....	21,651	2,279	1,578
8.22			
Fourth quarter.....	19,596	480	12
0.06			
-----	-----	-----	-----
Total.....	83,732	5,980	3,220

16.77

</TABLE>

NOTE 13 -- RENTAL EXPENSE UNDER OPERATING LEASES

<TABLE>

<CAPTION>

December 31,

Years ended

1997

1999

1998

(\$ million)

<S>

<C>

Minimum rentals:

Tanker charters.....
 447
 Plant and machinery.....
 335
 Land and buildings.....
 268

357

396

509

429

271

315

1,137

1,140

1,050

Less: Rentals from sub-leases.....
 (99)

(178)

(105)

959

1,035

951

</TABLE>

NOTE 14 -- RESEARCH AND DEVELOPMENT

Expenditure on research and development amounted to \$310 million (1998 \$412 million and 1997 \$382 million).

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BP AMOCO p.l.c. AND SUBSIDIARIES
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 15 -- AUDITORS' REMUNERATION

<TABLE>

<CAPTION>

Years ended December 31,

1997

1999

1998

UK Total
 Page 147

UK Total

UK

Total

1999 Group audit fees include \$1.1 million (1998 \$0.7 million) for excess of actual over estimated fees for 1998.

NOTE 16 -- CURRENCY EXCHANGE GAINS AND LOSSES

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 17 -- ACQUISITIONS

In 1999 the Group acquired the outstanding 83% of ProGas, a major Canadian natural gas supply aggregator, and 50% of Solarex, a manufacturer and developer of photovoltaic products and systems, it did not already own. Also in 1999 the Group purchased APEX, a solar electric company based in Montpellier, France.

During 1998 the Group acquired Styrenix Kunststoffe, a plastics business based in Germany and a number of minor refining and marketing businesses.

In 1997 BP Amoco and Shell oil completed the formation of Altura Energy, a partnership combining their oil and gas interests in west Texas and southeast New Mexico, USA. Altura Energy is consolidated within these accounts.

The cost of acquisitions in the Group cash flow statement comprises:

<TABLE>
<CAPTION>

Year ended December
31,

		1999		
1998	1997			
		Book		Fair
Fair	Fair	value	Adjustment	value
value	value			
(\$ million)				
<S>		<C>	<C>	<C>
<C>	<C>			
Goodwill.....		--	20	20
38	--			
Other intangible assets.....		3	--	3
1	--			
Tangible assets.....		109	10	119
194	810			
Fixed assets - investments.....		9	--	9
71	--			
working capital.....		15	--	15
27	25			
MSI.....		(1)	--	(1)
--	(835)			
		135	30	165
331	--			
Finance debt.....		(58)	--	(58)
(17)	--			
Cash consideration.....		77	30	107

314	--		
Cash acquired.....	5	--	5
--			
-----	-----	-----	-----
Net cash outflow.....	72	30	102
314			
=====	=====	=====	=====
</TABLE>			

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 18 -- DISPOSALS

Disposals during 1999 included the sale of the Group's Canadian oil properties; the divestment of its interest in the Pedernales oil field in Venezuela; the Federal Trade Commission-mandated sale of distribution terminals and service stations in the USA and certain chemicals activities. These included the Verdugt acid salts business; its interest in an olefins cracker at Wilton in the UK; the Plaskon electronics materials business located in the USA and Singapore; the US Fibers and Yarns business; and the sale and leaseback of US railcars. In addition the Group incurred a loss on the closure of its paraxylene joint venture in Singapore.

In 1998, the major disposals were exploration and production properties in the USA and Papua New Guinea, the refinery in Lima, Ohio, the sale and leaseback of the Amoco building in Chicago, the retail network in the Czech Republic, the Adibis fuel additives business and a speciality chemicals distribution business.

In 1997, the major disposals were the sale of US exploration and production properties and an intrastate natural gas pipeline in Texas. Other divestments included oil marketing assets in Thailand and advanced materials and phenolic resin businesses in the UK.

Total proceeds received for disposals represent the following amounts shown in the cash flow statement:

<TABLE>
<CAPTION>

December 31,	Years ended	
-----	1999	1998
1997	-----	-----
-----	(\$ million)	
<S>	<C>	<C>
<C>		
Proceeds from the sale of businesses.....	1,292	780
364		
Proceeds from the sale of fixed assets.....	1,149	1,387
1,468	-----	-----
-----	2,441	2,167

TABLE	CAPTION
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
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21	21
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86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

December 31,

1997

<S>

<C> <C>

<C>

Intangible assets.....

199 151

21

Tangible assets.....

2.340 945

1.184

Fixed asset -- investments.....

206 157

40

working capital.....

175 88

203

other

(94) (125)

(110)

2,826 1,216

1.338

Profit (loss) on sale of businesses.....	1,350
--	-------

(463) 310

250

Profit (loss) on sale of fixed assets.....

84 653

313

2,447 2,179

Total consideration.....

1.901

Deferred consideration.....

(12) (9)

(69)

Cash transferred on sale.....

6 (3)

— —

2,441 2,167

Net cash inflow.....

1,832

</TABLE>

<PAGE>

NOTE 19 -- INTANGIBLE ASSETS

<TABLE>

<CAPTION>

<div><CAPTION></div>				
Total	Exploration expenditure	Goodwill	intangibles	Other

</TABLE>

<PAGE>

<TABLE>

<CAPTION>

of which		Exploration	Refining	Other	
Assets				businesses	
under		and	and	and	
Total construction		Production	Marketing	Chemicals	corporate

(\$ million)					
Cost					
<S>	<C>	<C>	<C>	<C>	<C>
At January 1, 1999.....	117,219	4,145	82,776	18,455	14,178
Prior year adjustment - change in accounting policy.....	1,823	--	--	--	--
Restated.....	119,042	4,145	84,599	18,455	14,178
Exchange adjustments.....	(1,349)	(21)	(972)	75	(436)
Acquisitions.....	119	53	--	10	1
Additions.....	5,053	1,531	2,964	871	1,078
Transfers.....	350	(2,605)	355	(5)	--
Deletions.....	(5,070)	(74)	(3,215)	(735)	(714)
At December 31, 1999.....	118,145	3,029	83,731	18,671	14,107
Depreciation					
At January 1, 1999.....	62,754		46,648	8,744	6,435
Prior year adjustment - change in accounting policy.....	1,408		--	--	--
Restated.....	64,162		48,056	8,744	6,435
Exchange adjustments.....	(857)		(691)	30	(189)
Charge for the year.....	4,916		3,401	799	534
Transfers.....	23		23	--	--

Deletions.....	(1,532)	(457)	(453)	(288)
(2,730)				

Net book amount				
At December 31, 1999.....	34,474	9,555	7,780	822
52,631				
3,029				
At December 31, 1998.....	36,543	9,711	7,743	883
54,880				
4,145				

Assets held under capital leases, capitalized interest and land at net book amount included above:

	Cost	Depreciation	Net	Cost	Depreciation	Net
Net						

			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
At December 31, 1999.....	1,741	969	772	2,554	1,321
1,233					
At December 31, 1998.....	1,887	918	969	2,843	1,661
1,182					

1 and

Leasehold

Other

Freehold land

over 50 years
unexpired

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 21 -- FIXED ASSETS -- INVESTMENTS

<TABLE>
<CAPTION>

		Associated undertakings				
		Share of retained			Joint	Own
other		shares	Loans	profit	ventures	shares(a)
investments(b)	Total					
		-----	-----	-----	-----	-----
		(\$ million)				
Cost						
<S>		<C>	<C>	<C>	<C>	<C>
At January 1, 1999....	51 10,002	2,759	835	783	5,005	80 489
Exchange adjustments..	(1) (479)	(6)	(11)	(49)	(395)	(1) (16)
Additions and net movements						
in joint ventures....	1 1,326	147	63	110	843	85 77
Acquisitions.....	3 9	6	--	--	--	--
Transfers.....	-- (232)	14	3	--	(249)	--
Deletions.....	(3) (208)	(54)	(8)	19	--	(68) (94)
		-----	-----	-----	-----	-----
At December 31, 1999..	51 10,418	2,866	882	863	5,204	96 456
		=====	=====	=====	=====	=====
Amounts provided						
At January 1, 1999....	1 230	215	--	--	--	14 --
Exchange adjustments..	-- (2)	(2)	--	--	--	--
Provided in the year..	-- 83	64	--	--	--	19 --
Transfers.....	--	--	--	--	--	--
Deletions.....	-- (2)	--	--	--	--	(2) --
		-----	-----	-----	-----	-----
At December 31, 1999.	1 309	277	--	--	--	31 --
		=====	=====	=====	=====	=====

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Net book amount						
At December 31, 1999..	2,589	882	863	5,204	65	456
50 10,109						
At December 31, 1998..	2,544	835	783	5,005	66	489
50 9,772						

</TABLE>

(a) Own shares are held in Employee Share Ownership Plans (ESOPs) to meet the future requirements of the Employee Share Schemes (see Note 33) and prior to award under the Long Term Performance Plan (see Note 34). At December 31, 1999 the ESOPs held 53,989,000 (62,768,000 at December 31, 1998) shares for the Employee Share Schemes and 9,502,000 (6,266,000 at December 31, 1998) shares for the Long Term Performance Plan. The market value of these shares at December 31, 1999 was \$640 million (\$517 million at December 31, 1998).

(b) Other investments are unlisted.

NOTE 22 -- INVENTORIES

<TABLE>
<CAPTION>

December 31,

	1999
1998	
	(\$
million)	
<S>	<C>
<C>	
Petroleum.....	3,517
1,896	
Chemicals.....	828
917	
Other.....	202
174	
	4,547
2,987	
Stores.....	577
655	
	5,124
3,642	
	5,165
Replacement cost.....	
3,747	

</TABLE>

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 23 -- RECEIVABLES

<TABLE>
<CAPTION>

31, 1998	December 31, 1999		December

	Within	After	within
	1 year	1 year	1 year
	-----	-----	-----
	(\$ million)		
<S>	<C>	<C>	<C>
<C>			
Trade receivables.....	9,417	--	5,778
	=====	=====	=====
Other receivables:			
Joint ventures.....	725	--	644
Associated undertakings.....	60	45	153
Prepayments and accrued income.....	1,229	459	786
Taxation recoverable.....	263	83	248
Pension prepayment.....	--	2,542	--
Other.....	1,653	326	1,795
	-----	-----	-----
	3,930	3,455	3,626
	=====	=====	=====

</TABLE>

Provisions for doubtful debts deducted from Trade receivables amounted to \$117 million (\$126 million at December 31, 1998).

See Note 44 -- US generally accepted accounting principles.

NOTE 24 -- CURRENT ASSETS -- INVESTMENTS

<TABLE>
<CAPTION>

December 31,

1998	1999
-----	-----
million)	(\$
<S>	<C>
Publicly traded -- United Kingdom.....	56
48	
33	42
-----	-----
81	98
Not publicly traded.....	122
389	
-----	-----
470	220
=====	=====
Stock exchange value of publicly traded investments.....	99
83	
=====	=====

</TABLE>

NOTE 25 -- FINANCE DEBT

<TABLE>
<CAPTION>

31, 1998	December 31, 1999		December
-----	-----	-----	-----
After	Within	After	Within
1 year	1 year	1 year	1 year
-----	-----	-----	-----
	(\$ million)		
<S>	<C>	<C>	<C>
<C>			
Bank loans and overdrafts.....	264(a)	726	302(a)
1,778			
Other loans.....	4,548(a)	7,181	3,711(a)
6,080			
-----	-----	-----	-----
Total borrowings.....	4,812	7,907	4,013
7,858			
Obligations under capital leases.....	88	1,737	101
1,783			
-----	-----	-----	-----
9,641	4,900	9,644	4,114

</TABLE>

(a) Amounts due within one year include current maturities of long-term debt.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 25 -- FINANCE DEBT (CONTINUED)

Where a borrowing is swapped into another currency, the borrowing is accounted in the swap currency and not in the original currency of denomination. Total borrowings include \$91 million (\$86 million at December 31, 1998) for the carrying value of currency swaps and forward contracts.

Included within Other loans repayable within one year are US Industrial Revenue/Municipal Bonds of \$1,376 million (December 31, 1998 \$1,277 million) with maturity periods ranging up to 35 years. They are classified as repayable within one year, as required under UK GAAP, as the bondholders typically have the option to tender these bonds for repayment on interest reset dates. Any bonds that are tendered are usually remarketed and BP Amoco has not experienced any significant repurchases. BP Amoco considers these bonds to represent long-term funding when assessing the maturity profile of its borrowings.

ANALYSIS OF BORROWINGS BY YEAR OF REPAYMENT

<TABLE>
<CAPTION>

			December 31, 1999			December 31, 1998	
			Bank loans and overdrafts	Other loans	Total	Bank loans and overdrafts	Other loans
Total							
(\$ million)							
<S>			<C>	<C>	<C>	<C>	<C>
<C>							
Due after 10 years.....	1,402		110	1,290	1,400	11	1,391
Due within 6-10 years.....	2,091		45	1,816	1,861	266	1,825
566	5 years.....		410	722	1,132	201	365
1,866	4 years.....		36	377	413	785	1,081
940	3 years.....		87	1,774	1,861	288	652
993	2 years.....		38	1,202	1,240	227	766
			726	7,181	7,907	1,778	6,080
7,858	1 year.....		264	4,548	4,812	302	3,711
4,013							

11,871	990	11,729	12,719	2,080	9,791
--------	-----	--------	--------	-------	-------

</TABLE>

Amounts included above repayable by instalments part of which falls due after five years from December 31, are as follows:

<TABLE>
<CAPTION>

December 31;

	1999
1998	
	(\$
million)	
<S>	<C>
After five years.....	46
174	
within five years.....	91
406	
	137
580	

</TABLE>

Interest rates on borrowings repayable wholly or partly more than five years from December 31, 1999 range from 6% to 9% with a weighted average of 7%. The weighted average interest rate on finance debt is 6%.

At December 31, 1999 the Group had substantial amounts of undrawn borrowing facilities available, including \$3,000 million (\$2,800 million at December 31, 1998) expiring in 2000. These facilities are with a number of international banks and borrowings under them would be at pre-agreed rates. Certain of these facilities support the Group's commercial paper programme.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 25 -- FINANCE DEBT (CONTINUED)

ANALYSIS OF BORROWINGS BY CURRENCY

<TABLE>
<CAPTION>

December 31,
1998

December 31, 1999

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		Fixed rate debt			Floating rate debt	
Total	Total	weighted average interest rate	weighted average time for which rate is fixed	Amount	weighted average interest rate	Amount
		(%)	(Years)	(\$ million)	(%)	(\$ million)(\$
<S>	<C>	<C>	<C>	<C>	<C>	<C>
US dollars.....		7	9	6,529	6	5,915
12,444	10,852					
Sterling.....		--	--	--	6	49
49	613					
Other currencies.....		8	31	46	6	180
226	406					
				-----	-----	
Total loans.....				6,575		6,144
12,719	11,871					
				=====	=====	
</TABLE>						

The Group aims for a balance between floating and fixed interest rates and, in 1999, the Group's upper limit for the proportion of floating rate debt was 65% of total net debt outstanding. Aside from debt issued in the US municipal bond markets, interest rates on floating rate debt denominated in US dollars are linked principally to LIBOR, while rates on debt in other currencies are based on local market equivalents. The Group monitors interest rate risk using a process of sensitivity analysis. Assuming no changes to the borrowings and hedges described above, it is estimated that a change of 1% in the general level of interest rates on January 1, 2000 would change 2000 profit before tax by approximately \$80 million.

FAIR VALUES AND CARRYING AMOUNTS OF BORROWINGS

<TABLE>
<CAPTION>

		December 31,	

1998		1999	

Carrying		Carrying	
amount	Fair value	amount	Fair value
-----	-----	-----	-----
		(\$ million)	
<S>	<C>	<C>	<C>
<C>			

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Short-term borrowings.....	2,433	2,433	1,659
1,659			
Long-term borrowings.....	9,979	10,118	10,555
10,126			
-----	-----	-----	-----
Total borrowings.....	12,412	12,551	12,214
11,785			
	=====	=====	=====

</TABLE>

The fair value and carrying amounts of borrowings shown above exclude the effects of currency swaps, interest rate swaps and forward contracts (which are included for presentation in the balance sheet). Long-term borrowings include debt which matures in the year from December 31, 1999, whereas in the balance sheet long-term debt of current maturity is reported under amounts falling due within one year. Long-term borrowings also include US Industrial Revenue/Municipal Bonds classified on the balance sheet as repayable within one year. The carrying amount of the Group's short-term borrowings, which mainly comprise commercial paper, bank loans and overdrafts, approximate their fair value. The fair value of the Group's long-term borrowings is estimated using quoted prices or, where these are not available, discounted cash flow analyses, based on the Group's current incremental borrowing rates for similar types and maturities of borrowing.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 25 -- FINANCE DEBT (CONTINUED)

OBLIGATIONS UNDER CAPITAL LEASES

The future minimum lease payments together with the present value of the net minimum lease payments were as follows:

<TABLE>
<CAPTION>

December 31,
1999

million)

(\$

<S>	
<C>	
2000	
103	
2001	
192	
2002	
183	
2003	
172	
2004	
178	
Thereafter.....	
3,569	

 4,397
 Less: amount representing lease interest.....
 2,572

 Present value of net minimum capital lease payments.....
 1,825

=====

of which -- due within one year.....	88
-- due after one year.....	1,737

 </TABLE>

The following information is presented in compliance with the requirements of US GAAP.

Bank loans and overdrafts and other loans -- long term

<TABLE>
 <CAPTION>

31,	weighted average interest rate at December 31, 1999	December 1999
-----	-----	-----
1998		
-----	-----	-----
	(%)	(\$
million)		
<S>	<C>	<C>
<C>		
Sterling.....	6	40
486		
US dollars.....	8	7,786
7,180		
Other currencies.....	10	81
192		
-----		-----
		7,907
7,858		=====

=====

</TABLE>
 Bank loans and overdrafts and other loans -- short term

<TABLE>
 <CAPTION>

31,	December 1999

1998

million)

(\$

<S>

<C>

<C>

Current maturities of long-term debt.....

1,003

1,077

Commercial paper.....

2,201

1,333

Bank loans and overdrafts.....

232

300

Other.....

1,376

1,303

4,812

4,013

=====

</TABLE>

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 25 -- FINANCE DEBT (CONCLUDED)

<TABLE>

<CAPTION>

average

rate

December 31,

1998

weighted
interest
at

1999

<S>

<C>

<C>

Commercial paper.....

6

5

Bank loans, overdrafts and other borrowings.....

6

7

US Industrial Revenue/Municipal bonds.....

5

4

</TABLE>

NOTE 26 -- ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<TABLE>

<CAPTION>

31, 1998

December 31, 1999 December

	within	After	within
After	1 year	1 year	1 year
-----	-----	-----	-----
		(\$ million)	
<S>	<C>	<C>	<C>
<C>			
Trade payables.....	8,203	--	5,091
--	=====	=====	=====
=====			
Other accounts payable and accrued liabilities:			
Joint ventures.....	278	--	205
--			
Associated undertakings.....	199	4	154
4			
Production taxes.....	417	1,140	241
1,238			
Taxation on profits.....	2,558	39	2,395
39			
Social security.....	14	--	14
--			
Accruals and deferred income.....	3,610	618	2,642
454			
Dividends.....	971	--	1,552
--			
other.....	2,125	444	3,035
312			
-----	-----	-----	-----
	10,172	2,245	10,238
2,047	-----	-----	-----

</TABLE>

NOTE 27 -- OTHER PROVISIONS

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
Category 18	Value 18
Category 19	Value 19
Category 20	Value 20
Category 21	Value 21
Category 22	Value 22
Category 23	Value 23
Category 24	Value 24
Category 25	Value 25
Category 26	Value 26
Category 27	Value 27
Category 28	Value 28
Category 29	Value 29
Category 30	Value 30
Category 31	Value 31
Category 32	Value 32
Category 33	Value 33
Category 34	Value 34
Category 35	Value 35
Category 36	Value 36
Category 37	Value 37
Category 38	Value 38
Category 39	Value 39
Category 40	Value 40
Category 41	Value 41
Category 42	Value 42
Category 43	Value 43
Category 44	Value 44
Category 45	Value 45
Category 46	Value 46
Category 47	Value 47
Category 48	Value 48
Category 49	Value 49
Category 50	Value 50
Category 51	Value 51
Category 52	Value 52
Category 53	Value 53
Category 54	Value 54
Category 55	Value 55
Category 56	Value 56
Category 57	Value 57
Category 58	Value 58
Category 59	Value 59
Category 60	Value 60
Category 61	Value 61
Category 62	Value 62
Category 63	Value 63
Category 64	Value 64
Category 65	Value 65
Category 66	Value 66
Category 67	Value 67
Category 68	Value 68
Category 69	Value 69
Category 70	Value 70
Category 71	Value 71
Category 72	Value 72
Category 73	Value 73
Category 74	Value 74
Category 75	Value 75
Category 76	Value 76
Category 77	Value 77
Category 78	Value 78
Category 79	Value 79
Category 80	Value 80
Category 81	Value 81
Category 82	Value 82
Category 83	Value 83
Category 84	Value 84
Category 85	Value 85
Category 86	Value 86
Category 87	Value 87
Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

			Unfunded pension plans		
Other postretirement benefits	Other	Total	Decommissioning	Environmental	
			-----	-----	-----
			(\$ million)		
<S>			<C>	<C>	<C>
<C>	<C>	<C>			
At January 1, 1999.....			3,310	1,157	1,767
2,311	272	8,817			
Prior year adjusted - change in accounting policy (Note 43)			(229)	(172)	--
--	163	(238)			

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Restated.....	3,081	985	1,767
2,311 435 8,579			
Exchange adjustments....	(57)	(4)	(224)
-- (5) (290)			
New provisions.....	80	145	160
42 500 927			
Unwinding of discount...	94	25	--
-- 11 130			
Change in discount rate.	(280)	(18)	--
-- (2) (300)			
Utilized/deleted.....	(133)	(216)	(108)
(109) (208) (774)			
At December 31, 1999....	2,785	917	1,595
2,244 731 8,272			

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 27 -- OTHER PROVISIONS (CONCLUDED)

At December 31, 1999 the provision for the costs of decommissioning the Group's oil and natural gas production facilities and pipelines at the end of their economic lives was \$2,785 million. These costs are expected to be incurred over the next 30 years. The provision has been estimated using existing technology, at current prices and discounted using a real discount rate of 3.5% (3%).

The provision for environmental liabilities at 31 December 1999 was \$917 million. This represents primarily the estimated environmental restoration and remediation costs for closed sites or facilities that have been sold. These costs are expected to be incurred over the next 10 years. The provision has been estimated using existing technology, at current prices, and discounted using a real discount rate of 3.5% (3%).

The Group also holds provisions for potential future awards under the long-term performance plan, expected rental shortfalls on surplus properties and sundry other liabilities. To the extent that these liabilities are not expected to be settled within the next three years, the provisions are discounted using a real discount rate of 3.5% (3%).

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS

An outline of the Group's major financial risks and the policies and objectives pursued in relation to these risks is set out in the financial risk management section of Item 9 -- Management's Discussion and Analysis of Financial Condition and Results of Operations and in Item 9A -- Quantitative and Qualitative Disclosures about Market Risk.

In the normal course of business the Group is a party to derivative financial instruments (derivatives) with off-balance sheet risk, primarily to manage its exposure to fluctuations in foreign currency exchange rates and interest rates, including management of the balance between floating rate and fixed rate debt. The Group also manages certain of its exposures to movements in oil and natural gas prices. The underlying economic currency of the Group's cash flows is mainly the US dollar. Accordingly, most of our borrowings are in US

dollars, are hedged with respect to the US dollar or swapped into dollars where this achieves a lower cost of financing. Significant non-dollar cash flow exposures are hedged. Gains and losses arising on these hedges are deferred and recognized in the income statement or as adjustments to carrying amounts, as appropriate, only when the hedged item occurs. In addition, we trade derivatives in conjunction with these risk management activities. The results of trading are recognized in income in the current period.

These derivatives involve, to varying degrees, credit and market risk. With regard to credit risk, the Group may be exposed to loss in the event of non-performance by a counterparty. The Group controls credit risk by entering into derivative contracts only with highly credit-rated counterparties and through credit approvals, limits and monitoring procedures and does not usually require collateral or other security. The Group has not experienced material non-performance by any counterparty.

Market risk is the possibility that a change in interest rates, currency exchange rates or oil and natural gas prices will cause the value of a financial instrument to decrease or its obligations to become more costly to settle. When derivatives are used for the purpose of risk management they do not expose the Group to market risk because the exposure to market risk created by the derivative is offset by the opposite exposure arising from the asset, liability, cash flow or transaction being hedged. When derivatives are held for trading purposes, the exposure of the Group to market risk is represented by potential changes in their fair (market) values. The measurement of market risk in trading activities is discussed further below.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

With the exception of the table of currency exposures shown on page F-36, short-term debtors and creditors which arise directly from the Group's operations have been excluded from the disclosures contained in this note, as permitted by FRS13.

INTEREST RATE RISK

The interest rate and currency profile of the financial liabilities of the Group at December 31, 1999, after taking into account the effect of interest rate swaps, currency swaps and forward contracts, are set out below.

<TABLE>
<CAPTION>

December 31, 1999

Interest free		Fixed rate		Floating rate	
Weighted		Weighted		Weighted	
average time		average time		average time	
ANALYSIS OF FINANCIAL		average		average	
until		for which		for which	
LIABILITIES BY CURRENCY		interest rate		interest rate	
maturity		rate is fixed		rate is floating	
Amount	Total	Amount	Amount	Amount	Amount

2000-03 BP Annual Rpt (20F) for 1999.txt

(Years)	(\$m)	(\$m)	(%)	(Years)	(\$m)	(%)	(\$m)
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
US dollars.....	7	912	15,203	7	6,704	5	7,587
Sterling.....	4	217	266	--	--	6	49
Other currencies.....	5	319	545	8	46	6	180
					6,750		7,816
	1,448	16,014					

Analysis of the above liabilities by balance sheet caption:

Creditors-- amounts falling due within one year

- --Finance

debt.....

4,900

Creditors-- amounts falling due after more than one year

- --Finance

debt.....

9,644

- --Other

creditors.....

1,062

Provisions for liabilities and charges

- --Other

provisions.....

408

16,014

</TABLE>

The financial liabilities upon which interest is paid comprise principally borrowings and net obligations under finance leases.

In managing its finance debt, the Group aims for a balance between floating and fixed interest rates and, in 1999, the Group's upper limit for the proportion of floating rate debt was 65% of total net debt outstanding. Interest rate swaps are used by the Group to modify the interest characteristics of its long-term borrowings from a fixed to a floating rate basis or vice versa. The following table indicates the types of swaps used and their weighted average interest rates as at December 31, 1999.

<TABLE>

<CAPTION>

million

percentages

\$

except

<S>

Receive fixed rate swaps-- notional amount.....	2,300
Average receive fixed rate	6.3%
Average pay floating rate.....	5.9%
Pay fixed rate swaps-- notional amount.....	3,221
Average pay fixed rate.....	7.1%
Average receive floating rate.....	6.0%

The financial liabilities which are interest-free comprise various accruals, sundry creditors and provisions relating to the Group's normal commercial operations with payment dates spread over a number of years.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows the interest rate and currency profile of the Group's material financial assets at December 31, 1999.

<TABLE>

<CAPTION>

December 31, 1999

			Fixed rate		Floating rate	
Interest free						
<hr/>			<hr/>		<hr/>	
weighted			weighted			
average time			weighted	average time	weighted	
ANALYSIS OF FINANCIAL			average	for which	average	
until						
ASSETS BY CURRENCY			interest rate	rate is fixed	Amount	interest
maturity	Amount	Total				Amount
<hr/>			<hr/>	<hr/>	<hr/>	<hr/>
(Years)	(\$m)	(\$m)	(%)	(Years)	(\$m)	(%) (\$m)
<S>			<C>	<C>	<C>	<C> <C>
<C>	<C>	<C>				
US dollars.....			5	1	12	5 748
3	122	882				
Sterling.....			9	2	55	-- --
1	357	412				
Other currencies.....			6	1	44	3 168
2	371	583				
<hr/>					<hr/>	<hr/>
					111	916
<hr/>						
	850	1,877				

Analysis of the above assets by balance sheet caption:

Current assets

--Debtors -- amounts falling due after more than one year..... 326

--Investments..... 220
 --Cash at bank and in hand.....
 1,331

 1,877
 =====

</TABLE>

The floating rate financial assets earn interest at various rates set principally with respect to LIBOR or the local market equivalent.

MATURITY PROFILE OF FINANCIAL LIABILITIES

The profile of the maturity of the financial liabilities included in the Group's balance sheet at December 31, 1999 is shown in the table below.

<TABLE>
 <CAPTION>

December 31,

1999

CARRYING AMOUNT OF FINANCIAL LIABILITIES

 (\$
 million)
 <S>
 <C>
 Due within: 1 year.....
 4,900
 1 to 2 years.....
 1,505
 2 to 5 years.....
 3,845
 Thereafter.....
 5,764

 16,014

</TABLE>

FOREIGN EXCHANGE RATE RISK

The table below shows the Group's principal currency exposures arising from normal trading activities. These exposures give rise to net currency gains and losses recognized in the profit and loss account. Such exposures comprise the monetary assets and monetary liabilities of the Group that are not denominated in the functional currency of the operating unit involved, other than certain non-US dollar borrowings treated as hedges of net investments in overseas

<PAGE>

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

[illegible][illegible]

In accordance with its policy for managing its foreign exchange rate risk, the Group enters into various types of foreign exchange contracts, such as currency swaps, forwards and options. The fair values and carrying amounts of these derivatives are shown in the fair value disclosures below.

The estimated fair value of the Group's financial instruments is shown in the table below. The table also shows the 'net carrying amount' of the financial asset or liability. This amount represents the net book value, i.e. market value when acquired or later marked to market. The carrying amounts and fair values of finance debt shown below exclude the effects of interest rate swaps, currency swaps and forward contracts (which are included for presentation in the balance sheet). Current maturities of long-term finance debt are included under long-term finance debt.

December 31, 1999

carrying

amount

asset(liability)

Net fair value

asset (liability)

	(\$ million)
<S>	<C>
<C>	
PRIMARY FINANCIAL INSTRUMENTS	
Current assets	
- --Debtors-- amounts falling due after more than one year....	326
326	
- --Investments.....	221
220	
- --Cash at bank and in hand.....	1,331
1,331	
Finance debt	
- --Short-term borrowings.....	(2,433)
(2,433)	
- --Long-term borrowings.....	(9,979)
(10,118)	
- --Net obligations under finance leases.....	(1,824)
(1,802)	
Creditors-- amounts falling due after more than one year	
- --Other creditors.....	(1,062)
(1,062)	
Provisions for liabilities and charges-- Other provisions...	(408)
(408)	
DERIVATIVE FINANCIAL OR COMMODITY INSTRUMENTS	
Risk management-- interest rate contracts.....	37
--	
-- foreign exchange contracts.....	(209)
(191)	
-- oil price contracts.....	--
--	
-- natural gas price contracts.....	2
--	
Trading	
-- interest rate contracts.....	--
--	
-- foreign exchange contracts.....	--
--	
-- oil price contracts.....	(61)
(61)	

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate contracts include futures contracts, swap agreements and options. Foreign exchange contracts include forward and futures contracts, swap agreements and options. Oil and natural gas price contracts are those which require settlement in cash and include futures contracts, swap agreements and options and cash-settled commodity instruments (derivative commodity contracts that permit settlement either by delivery of the underlying commodity or in cash) such as forward contracts.

The following methods and assumptions were used by the Group in estimating its fair value disclosures for its financial instruments: Current assets - Debtors - amounts falling due after more than one year: The fair value of other debtors due after one year is estimated not to be materially different from its carrying value.

Current assets - Investments and Cash at bank and in hand: The carrying amount reported in the balance sheet for unlisted current asset investments and cash at bank and in hand approximates their fair value. The fair value of listed current asset investments has been determined by reference to market prices.

Finance debt: The carrying amount of the Group's short-term borrowings, which mainly comprise commercial paper, bank loans and overdrafts, approximates their fair value. The fair value of the Group's long-term borrowings and finance lease obligations is estimated using quoted prices or, where these are not available, discounted cash flow analyses, based on the Group's current incremental borrowing rates for similar types and maturities of borrowing.

Creditors - amounts falling due after more than one year - Other creditors: These liabilities are predominantly interest-free. In view of the short maturities, the reported carrying amount is estimated to approximate the fair value.

Provisions for liabilities and charges - Other provisions: Where the liability will not be settled for a number of years the amount recognized is the present value of the estimated future expenditure. The carrying amount of provisions for onerous contracts thus approximates the fair value.

Derivative financial or commodity instruments: The fair values of the Group's interest rate contracts (swaps) are based on pricing models which take into account relevant market data. Fair values for the Group's foreign exchange contracts (forward contracts, swap agreements and options) are based on market prices of comparable instruments. The fair values of the Group's oil and natural gas price contracts (futures contracts, swap agreements, options and forward contracts) are based on market prices.

RISK MANAGEMENT

Gains and losses on derivatives used for risk management purposes are deferred and recognized in earnings or as adjustments to carrying amounts, as appropriate, when the underlying debt matures or the hedged transaction occurs. When an anticipated transaction is no longer likely to occur or finance debt is terminated before maturity, any deferred gain or loss that has arisen on the related derivative is recognized in the income statement, together with any gain or loss on the terminated item. Where such derivatives used for hedging purposes are terminated before the underlying debt matures or the hedged transaction occurs, the resulting gain or loss is recognized on a basis which matches the timing and accounting treatment of the underlying hedged item. The unrecognized and carried-forward gains and losses on derivatives used for hedging, and the movements therein, are shown in the following table.

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BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

<TABLE>
<CAPTION>

31, 1999

Year ended December

forward in the balance sheet			Unrecognized		Carried

Gains	Losses	Total	Gains	Losses	Total
-----			-----	-----	-----
			(\$ million)		
<S>			<C>	<C>	<C>
<C>	<C>	<C>			
Gains and losses at January 1, 1999.....			253	(402)	(149)
143	(194)	(51)			
of which accounted for in income in 1999....			115	(95)	20
58	(66)	(8)			
Gains and losses at December 31, 1999.....			236	(215)	21
65	(283)	(218)			
of which expected to be recognized in income:					
In 2000.....			53	(58)	(5)
32	(45)	(13)			
In 2001 or later.....			183	(157)	26
33	(238)	(205)			

TRADING ACTIVITIES

The Group maintains active trading positions in a variety of derivatives. This activity is undertaken in conjunction with risk management activities. Derivatives held for trading purposes are marked to market and any gain or loss recognized in the income statement. For traded derivatives, many positions have been neutralized, with trading initiatives being concluded by taking opposite positions to fix a gain or loss, thereby achieving a zero net market risk.

The following table shows the fair value at the year end and the average net fair value of derivatives and other financial instruments held for trading purposes during the year.

[illegible]

Foreign exchange contracts.....	4	(4)	--
21			
oil price contracts.....	155	(216)	54
60			
-----	-----	-----	-----
73	159	(220)	54
=====	=====	=====	=====

</TABLE>

The Group measures its market risk exposure, i.e. potential gain or loss in fair values, on its trading activity using a value at risk technique. This technique is based on a variance/covariance model and makes a statistical assessment of the market risk arising from possible future changes in market values over a 24-hour period. The calculation of the range of potential changes in fair value takes into account a snapshot of the end-of-day exposures, and the history of one-day price movements over the previous 12 months, together with the correlation of these price movements. The potential movement in fair values is expressed to three standard deviations which is equivalent to a 99.7% confidence level. This means that, in broad terms, one would expect to see an increase or a decrease in fair values greater than the value at risk on only one occasion per year if the portfolio were left unchanged.

The Group calculates value at risk on all instruments that are held for trading purposes and that therefore give an exposure to market risk. The value at risk model takes account of derivative financial instruments such as interest rate forward and futures contracts, swap agreements, options and swaptions, foreign exchange forward and futures contracts, swap agreements and options and oil price futures, swap agreements and options. Financial assets and liabilities and physical crude oil and refined products that are treated as trading positions are also included in these calculations. The value at risk calculation for oil price exposure also includes derivative commodity instruments (commodity contracts that permit settlement either by delivery of the underlying commodity or in cash) such as forward contracts.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The following table shows values at risk for trading activities.

<TABLE>

<CAPTION>

Years ended December 31,

	1999				
1998	-----				
	High	Low	Average	Year end	Average
Year end	-----	-----	-----	-----	-----

	(\$ million)				
<S>	<C>	<C>	<C>	<C>	<C>
<C>					

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Interest rate contracts.....	1	--	1	--	2
Foreign exchange contracts.....	13	--	3	1	4
oil price contracts.....	15	5	9	10	8

12

</TABLE>

The presentation of trading results shown below includes certain activities of the Group's oil trading division which involve the use of derivative financial instruments in conjunction with physical and paper trading of oil. It is considered that a more comprehensive representation of the Group's oil trading activities is given by the classification of the gains or losses on such derivatives along with those arising from the physical and paper trades to which they relate.

The following table shows the trading income arising from derivatives and other financial instruments. For oil price contract trading, this also includes income or losses arising on trading of derivative commodity instruments and physical oil trades, representing the net result of the oil-trading portfolio.

<TABLE>

<CAPTION>

December 31,	Year ended
-----	-----
1998	1999
-----	-----
Net gain	Net gain
(loss)	(loss)
-----	-----
million)	(\$
<S>	<C>
<C>	
Oil price derivative financial and commodity instruments.....	133
540	
Physical oil trades.....	151
(325)	-----

Total oil trading.....	284
215	
Interest rate contracts.....	--
(26)	
Foreign exchange contracts.....	23
38	-----

227	307
=====	=====

</TABLE>

The following information is presented in compliance with the requirements
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of US GAAP.

FURTHER INFORMATION ON ACCOUNTING POLICIES

The following information is presented in amplification of the accounting policies presented in Note 1 -- Accounting policies.

REPORTING IN THE INCOME STATEMENT

Gains and losses on oil price contracts held for trading and for risk management purposes are reported in cost of sales in the income statement in the period in which the change in value occurs. Gains and losses on interest rate or foreign currency derivatives used for trading are reported in other income and cost of sales, respectively. Gains and losses in respect of derivatives used to manage interest rate exposures are recognized as adjustments to interest expense.

Where derivatives are used to convert non-US dollar borrowing into US dollars, the gains and losses are deferred and recognized on maturity of the underlying debt, together with the matching loss or gain on the debt. The two amounts offset each other in the income statement.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Gains and losses on derivatives identified as hedges of significant non-US dollar firm commitments or anticipated transactions are not recognized until the hedged transaction occurs. The treatment of the gain or loss arising on the designated derivative reflects the nature and accounting treatment of the hedged item. The gain or loss is recorded in cost of sales in the income statement or as an adjustment to carrying values in the balance sheet, as appropriate.

Gains and losses arising from natural gas price derivatives are recognized in earnings when the hedged transaction occurs. The gains or losses are reported as components of the related transactions.

REPORTING IN THE BALANCE SHEET

The carrying amounts of foreign exchange contracts that hedge finance debt are included within finance debt in the balance sheet. The carrying amounts of other derivatives, including option premiums paid or received, are included in the balance sheet under receivables or payables within current assets and current liabilities respectively, as appropriate.

CASH FLOW EFFECTS

Interest rate swaps give rise, at specified intervals, to cash settlement of interest differentials. Under currency swaps the counterparties initially exchange a principal amount in two currencies, agreeing to re-exchange the currencies at a future date at the same exchange rate. The Group's currency swaps have terms of up to six years.

Interest rate futures require an initial margin payment and daily settlement of margin calls. Interest rate forwards require settlement of the interest rate differential on a specified future date. Currency forwards require purchase or sale of an agreed amount of foreign currency at a specified exchange rate at a specified future date, generally over periods of up to one year for the Group. Currency options involve the initial payment or receipt of a premium and will give rise to delivery of an agreed amount of currency at a specified

In the statement of cash flows the effect of interest rate derivatives is reflected in interest paid. The effect of foreign currency derivatives used for hedging non-US dollar debt is included under financing. The cash flow effects of foreign currency derivatives used to hedge non-US dollar firm commitments and anticipated transactions are included in net cash inflow from operating activities for items relating to earnings or in capital expenditure or acquisitions, as appropriate, for items of a capital nature. The cash flow effects of all oil and natural gas price derivatives and all traded derivatives are included in net cash inflow from operating activities.

The following information is presented in compliance with the requirements of FASB Statement of Financial Accounting Standards No. 107 -- 'Disclosures about Fair Value of Financial Instruments'.

<PAGE>

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

TABLE	
CAPTION	
1	2
3	4
5	6
7	8
9	10
11	12
13	14
15	16
17	18
19	20
21	22
23	24
25	26
27	28
29	30
31	32
33	34
35	36
37	38
39	40
41	42
43	44
45	46
47	48
49	50
51	52
53	54
55	56
57	58
59	60
61	62
63	64
65	66
67	68
69	70
71	72
73	74
75	76
77	78
79	80
81	82
83	84
85	86
87	88
89	90
91	92
93	94
95	96
97	98
99	100

	<u>1999</u>	1998
Fair value	Carrying amount	Fair value Carrying amount
<S>	<C>	(\$ million) <C> <C>
Finance debt		
Long-term..... 10,555	10,118	9,979 10,126
Short-term..... 1,659	2,433	2,433 1,659
Cash at bank and in hand..... 405	1,331	1,331 405
</TABLE>		

The following information is presented in compliance with the requirements of FASB Statement of Financial Accounting Standards No. 119 -- 'Disclosure about Derivative Financial Instruments and Fair Value of Financial Instruments'.

The carrying amounts of foreign exchange contracts that hedge finance debt

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are included within finance debt in the balance sheet. The carrying amounts of other derivatives are included in the balance sheet under receivables or payables as appropriate.

The following information is presented in compliance with the requirements of FASB Statement of Accounting Standards No.105 -- 'Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk'.

The table also shows the 'net carrying amount' of the asset or liability created by derivatives. This amount represents the net book value, i.e. market value when acquired or later marked to market.

<PAGE>

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

	Gross	Fair value	Fair value
Net carrying amount asset (liability)	contract amount	asset	(liability)
-----	-----	-----	-----
		(\$ million)	
<S>	<C>	<C>	<C>
<C>			
AT DECEMBER 31, 1999			
Risk management			
Interest rate contracts.....	5,521	138	(101)
--			
Foreign exchange contracts.....	5,026	39	(248)
(191)			
Oil price contracts.....	504	13	(13)
--			
Natural gas contracts.....	4,395	56	(54)
--			
Trading			
Interest rate contracts.....	200	--	--
--			
Foreign exchange contracts.....	1,674	4	(4)
--			
Oil price contracts.....	3,144	148	(207)
(59)			
AT DECEMBER 31, 1998			
Risk management			
Interest rate contracts.....	5,866	69	(328)

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(45)	Foreign exchange contracts.....	8,908	181	(160)
(75)	Oil price contracts.....	491	12	(5)
7	Natural gas contracts.....	1,511	51	(44)
--	Trading			
	Interest rate contracts.....	189	--	--
--	Foreign exchange contracts.....	9,441	30	(39)
(9)	Oil price contracts.....	4,038	134	(123)
11				

</TABLE>

Interest rate contracts include forward and futures contracts, swap agreements and options. Foreign exchange contracts include forward and futures contracts, swap agreements and options. Oil and natural gas price contracts are those which require settlement in cash and include futures contracts, swap agreements and options.

INTEREST RATE RISK MANAGEMENT

The Group enters into interest rate contracts to manage its cost of borrowing as indicated in the following table:

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
Category 18	Value 18
Category 19	Value 19
Category 20	Value 20
Category 21	Value 21
Category 22	Value 22
Category 23	Value 23
Category 24	Value 24
Category 25	Value 25
Category 26	Value 26
Category 27	Value 27
Category 28	Value 28
Category 29	Value 29
Category 30	Value 30
Category 31	Value 31
Category 32	Value 32
Category 33	Value 33
Category 34	Value 34
Category 35	Value 35
Category 36	Value 36
Category 37	Value 37
Category 38	Value 38
Category 39	Value 39
Category 40	Value 40
Category 41	Value 41
Category 42	Value 42
Category 43	Value 43
Category 44	Value 44
Category 45	Value 45
Category 46	Value 46
Category 47	Value 47
Category 48	Value 48
Category 49	Value 49
Category 50	Value 50
Category 51	Value 51
Category 52	Value 52
Category 53	Value 53
Category 54	Value 54
Category 55	Value 55
Category 56	Value 56
Category 57	Value 57
Category 58	Value 58
Category 59	Value 59
Category 60	Value 60
Category 61	Value 61
Category 62	Value 62
Category 63	Value 63
Category 64	Value 64
Category 65	Value 65
Category 66	Value 66
Category 67	Value 67
Category 68	Value 68
Category 69	Value 69
Category 70	Value 70
Category 71	Value 71
Category 72	Value 72
Category 73	Value 73
Category 74	Value 74
Category 75	Value 75
Category 76	Value 76
Category 77	Value 77
Category 78	Value 78
Category 79	Value 79
Category 80	Value 80
Category 81	Value 81
Category 82	Value 82
Category 83	Value 83
Category 84	Value 84
Category 85	Value 85
Category 86	Value 86
Category 87	Value 87
Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

	December 31, 1999			December 31, 1998	
	Gross	Fair	Fair	Gross	Fair
Fair	contract	value	value	contract	value
value	amount	asset	liability	amount	asset
liability					
			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
Swaps	5,521	138	(101)	5,866	69
(328)					

</TABLE>

Interest rate swaps allow BP Amoco to modify the interest characteristics of its long-term borrowings from a fixed to a floating rate basis or vice versa. Under interest rate swaps, the Group agrees with other parties to exchange, at specified intervals, the interest differentials calculated by reference to an agreed notional principal amount. There is no exchange of the underlying principal amount.

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<PAGE> .

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

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The following table indicates the types of swaps used and their weighted average interest rates. Average variable rates are based on the actual rates in place at December 31; these may change significantly, affecting future cash flows. Swap contracts mainly have maturities between one and ten years.

<TABLE>
<CAPTION>

December 31,

1999

1998

(\$ million, except

percentages)

<S>

<C>

<C>

Receive-- fixed swaps-- notional amount.....

2,300

2,125

Average receive fixed rate.....

6.3%

6.6%

Average pay floating rate.....

5.9%

5.4%

Pay-- fixed swaps-- notional amount.....

3,221

3,741

Average pay fixed rate.....

7.1%

7.3%

Average receive floating rate.....

6.0%

5.3%

</TABLE>

Interest rate futures contracts may be used by the Group, on occasion, in preference to interest rate swaps to achieve a more cost effective method of managing the mix between fixed and floating rate debt. These contracts are commitments to either purchase or sell designated financial instruments at a future date for a specified price, and may be settled in cash or through delivery. The Group holds highly liquid contracts, such as US Treasury bond futures, with terms ranging up to a year. Initial margin requirements and daily calls are met either by the deposit of securities or in cash. Futures contracts have little credit risk as regulated exchanges are the counterparties.

Interest rate forward contracts, which include forward rate agreements and options on forward rate agreements, may also be used by the Group to manage interest rate risk on debt. These contracts are agreements which allow the interest rate cost on a principal amount to be fixed for a specified period commencing on a future date.

Swaptions may also be employed to manage interest rate risk on debt. A swaption is an agreement that conveys the right, but not the obligation, to swap a series of fixed rate interest payments for floating rate interest payments, or vice versa, at a given future point in time. Typically the swaptions entered into by the Group are cash settled at expiry.

FOREIGN EXCHANGE RISK MANAGEMENT

The Group enters into various types of foreign exchange contracts in managing its foreign exchange risk as indicated in the following table:

<TABLE>
<CAPTION>

<PAGE>

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

Under currency swaps the counterparties initially exchange a principal amount in two currencies, agreeing to re-exchange the currencies at a future date and at the same exchange rate. In addition, interest payments in the respective currencies are exchanged at specified intervals over the term of the agreement. The Group's currency swaps have terms up to six years. The majority of the Group's currency swaps relate to major currencies such as Sterling, Deutschmarks, Swiss Francs and Japanese Yen.

Currency forward contracts are commitments to purchase or sell an agreed amount of foreign currency at a specified exchange rate at a specified future date. The Group's forward contracts are generally settled over periods of up to one year.

Currency options, which are normally directly negotiated, allow but do not require, the holder to buy from or sell to the writer an agreed amount of currency at a specified exchange rate within a stated period, and involve the initial payment or receipt of a premium. The Group's option contracts have an average term of less than one year.

Included in currency options are currency cylinder option contracts. A cylinder is the purchase of an option to buy foreign currency and the simultaneous selling of an option to sell the same amount of foreign currency to BP Amoco at a different exchange rate. The effect is to limit the risk of both gain and loss. This is achieved at little or no cost as the symmetry of the options means that the premium paid for one option is balanced by the premium received from the sale of the other.

OIL AND NATURAL GAS PRICE RISK MANAGEMENT

The Group enters into various types of oil and natural gas price contracts to manage its exposure to some movements in hydrocarbon prices as indicated in the following table. Contracts which are capable of being settled by delivery of oil, oil products or natural gas are excluded.

TABLE	CAPTION
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12	12
13	13
14	14
15	15
16	16
17	17
18	18
19	19
20	20
21	21
22	22
23	23
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25	25
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31	31
32	32
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34	34
35	35
36	36
37	37
38	38
39	39
40	40
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62	62
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64	64
65	65
66	66
67	67
68	68
69	69
70	70
71	71
72	72
73	73
74	74
75	75
76	76
77	77
78	78
79	79
80	80
81	81
82	82
83	83
84	84
85	85
86	86
87	87
88	88
89	89
90	90
91	91
92	92
93	93
94	94
95	95
96	96
97	97
98	98
99	99
100	100

	December 31, 1999			December 31, 1998	
Fair value liability	Gross contract amount	Fair value asset	Fair value liability	Gross contract amount	Fair value asset
			(\$ million)		
<S> oil Swaps..... (5) Futures..... --	<C> 361 143 -----	<C> 8 5 -----	<C> (13) -- -----	<C> 421 70 -----	<C> 12 -- -----
(5)	504	13	(13)	491	12
=====	=====	=====	=====	=====	=====
Natural gas Swaps..... (43) Options..... (1) Futures..... --	 4,346 7 42 -----	 55 -- 1 -----	 (52) -- (2) -----	 1,478 33 -- -----	 48 3 -- -----
(44)	4,395	56	(54)	1,511	51
=====	=====	=====	=====	=====	=====

<PAGE>

NOTE 28 -- DERIVATIVE FINANCIAL INSTRUMENTS (CONTINUED)

The Group uses swaps, options and futures to hedge future purchases and sales of crude oil and refined oil products. The term of the oil price derivatives is usually less than one year. Natural gas swaps, options and futures are used to convert specific sales and purchase contracts from fixed prices to market prices. Swaps are also used to hedge exposure for price differentials between locations. The term of most natural gas price derivatives is less than one year, with some having terms of two years.

Under swaps, BP Amoco agrees with other parties to pay or receive the difference between a fixed and variable price at a range of specified dates determined by reference to an agreed notional volume.

The option and futures contracts are traded on regulated exchanges. Exchange-traded options allow, but do not require, the holder to either buy from or sell to the writer an agreed amount of futures contracts at a specified price at a specified future date. Futures are fixed price commitments to purchase or sell a contract, whose value is derived from the price of oil at a specified future date. Initial margin requirements and daily cash settlements for both these types of contracts are met either by bank guarantees or in cash. There is little credit risk under these contracts as regulated exchanges are the counterparties.

TRADING ACTIVITIES

The Group maintains active trading positions in a variety of derivatives. This activity is undertaken in conjunction with risk management. Derivatives held for trading purposes are marked to market and any gain or loss recognized in the income statement. For traded derivatives, many positions have been neutralized, with trading initiatives being concluded by taking opposite positions to fix a gain or loss, thereby achieving a zero net market risk.

The following table discloses the contract or notional amount and fair value of the derivatives held for trading purposes at December 31, 1999 and 1998 and the average fair value for the year.

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
Category 18	Value 18
Category 19	Value 19
Category 20	Value 20
Category 21	Value 21
Category 22	Value 22
Category 23	Value 23
Category 24	Value 24
Category 25	Value 25
Category 26	Value 26
Category 27	Value 27
Category 28	Value 28
Category 29	Value 29
Category 30	Value 30
Category 31	Value 31
Category 32	Value 32
Category 33	Value 33
Category 34	Value 34
Category 35	Value 35
Category 36	Value 36
Category 37	Value 37
Category 38	Value 38
Category 39	Value 39
Category 40	Value 40
Category 41	Value 41
Category 42	Value 42
Category 43	Value 43
Category 44	Value 44
Category 45	Value 45
Category 46	Value 46
Category 47	Value 47
Category 48	Value 48
Category 49	Value 49
Category 50	Value 50
Category 51	Value 51
Category 52	Value 52
Category 53	Value 53
Category 54	Value 54
Category 55	Value 55
Category 56	Value 56
Category 57	Value 57
Category 58	Value 58
Category 59	Value 59
Category 60	Value 60
Category 61	Value 61
Category 62	Value 62
Category 63	Value 63
Category 64	Value 64
Category 65	Value 65
Category 66	Value 66
Category 67	Value 67
Category 68	Value 68
Category 69	Value 69
Category 70	Value 70
Category 71	Value 71
Category 72	Value 72
Category 73	Value 73
Category 74	Value 74
Category 75	Value 75
Category 76	Value 76
Category 77	Value 77
Category 78	Value 78
Category 79	Value 79
Category 80	Value 80
Category 81	Value 81
Category 82	Value 82
Category 83	Value 83
Category 84	Value 84
Category 85	Value 85
Category 86	Value 86
Category 87	Value 87
Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

	Year ended December 31, 1999			Year ended December 31, 1998		
	-----			-----		
Average fair value asset (liability)	Gross contract amount	Net fair value asset (liability)	Average fair value asset (liability)	Gross contract amount	Net fair value asset (liability)	Average fair value asset (liability)
	-----	-----	-----	-----	-----	-----
			(\$ million)			
<S>	<C>	<C>	<C>	<C>	<C>	<C>
<C>						
Interest rate contracts						
Futures.....	200	--	--	185	--	--
(1)						
Options.....	--	--	--	4	--	--
--						
Swaptions.....	--	--	--	--	--	--

</TABLE>

<PAGE>

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2000-03 BP Annual Rpt (20F) for 1999.txt

<C>				
At January 1, 1999.....	4,863	3,386	697	32,840
41,786				
Prior year adjustment - change in accounting policy (Note 43).....	--	--	--	715
715				
-----	-----	-----	-----	-----
Restated.....	4,863	3,386	697	33,555
42,501				
Employee share schemes.....	16	311	--	(61)
266				
Share dividend plan.....	13	(13)	--	311
311				
Profit for the year.....	--	--	--	5,008
5,008				
Dividends.....	--	--	--	(3,884)
(3,884)				
Exchange adjustment.....	--	--	--	(921)
(921)				
-----	-----	-----	-----	-----
At December 31, 1999.....	4,892	3,684	697	34,008
43,281				
	=====	=====	=====	=====

</TABLE>

The movements in the Group's share capital during the year are set out above. All movements are quantified in terms of the number of BP Amoco shares issued or repurchased.

EMPLOYEE SHARE SCHEMES. During the year 66,162,232 ordinary shares were issued under employee share schemes. Certain of these shares were issued via a QUEST. See Note 33 for further details.

SHARE DIVIDEND PLAN. 51,842,146 ordinary shares were issued under the share dividend plan by capitalization of the paid in surplus.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 30 -- RETAINED EARNINGS

Retained earnings of \$34,008 million (\$33,555 million at December 31, 1998) include the following amounts, the distribution of which is limited by statutory or other restrictions:

<TABLE>

<CAPTION>

	December
31,	

1998	1999
-----	-----
	(\$
million)	
<S>	<C>

<C>	
Parent company.....	16
16	
Subsidiary undertakings.....	5,638
5,195	
Associated undertakings.....	1,649
1,162	
-----	-----
	7,303
6,373	=====
=====	
</TABLE>	

Cumulative net exchange losses of \$1,374 million are included in retained earnings (\$453 million losses at December 31, 1998).

There were no unrealized currency translation differences for the year on long-term borrowings used to finance equity investments in foreign currencies (1998 nil and 1997 unrealized losses of \$2 million).

NOTE 31 -- ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS

(I) RECONCILIATION OF HISTORICAL COST PROFIT BEFORE INTEREST AND TAX TO NET CASH INFLOW FROM OPERATING ACTIVITIES

<TABLE>
<CAPTION>

December 31,	Years ended	
-----	1999	1998
1997	-----	-----

	(\$ million)	
<S>	<C>	<C>
<C>		
Historical cost profit before interest and tax.....	8,342	5,980
9,872		
Depreciation and amounts provided.....	4,965	5,301
5,117		
Exploration expenditure written off.....	304	373
365		
Share of (profits) losses of joint ventures and associated undertakings.....	(1,704)	(1,102)
(777)		
Interest and other income.....	(217)	(272)
(255)		
(Profit) loss on sale of businesses and fixed assets.....	379	(963)
(563)		
Charge for provisions.....	847	377
421		
Utilization of provisions.....	(597)	(460)
(401)		
Decrease (increase) in inventories.....	(1,562)	584
1,740		
Decrease (increase) in debtors.....	(4,013)	1,768
2,033		
(Decrease) increase in payables.....	3,546	(2,000)
(1,994)		

Net cash inflow from operating activities.....	10,290	9,586
15,558		

=====
</TABLE>

(II) EXCEPTIONAL ITEMS

The cash outflow in respect of the restructuring costs charged in 1999 was \$976 million. The cash outflow relating to the merger expenses charged in 1998 was \$166 million (1998 \$32 million). Both amounts were included in the net cash inflow from operating activities.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 31-- ANALYSIS OF CONSOLIDATED STATEMENT OF CASH FLOWS (CONCLUDED)

(III) FINANCING

<TABLE>
<CAPTION>

December 31,	Years ended	
	1999	1998
-----	-----	-----
1997		

	(\$ million)	
<S>	<C>	<C>
<C>		
Long-term borrowing.....	(2,140)	(2,078)
(1,179)		
Repayments of long-term borrowing.....	2,268	1,208
884		
Short-term borrowing.....	(3,136)	(631)
(1,285)		
Repayments of short-term borrowing.....	2,299	701
1,342		
-----	-----	-----
	(709)	(800)
(238)		
Issue of ordinary share capital.....	(245)	(161)
(172)		
Repurchase of share capital.....	--	584
1,422		
-----	-----	-----
Net cash (inflow) outflow.....	(954)	(377)
1,012		
-----	=====	=====

=====
</TABLE>

(IV) MANAGEMENT OF LIQUID RESOURCES

Liquid resources comprise current asset investments which are principally commercial paper issued by other companies. The net cash inflow from the management of liquid resources was \$93 million (1998 \$596 million and 1997 \$167 million).

(V) COMMERCIAL PAPER

Net movements in commercial paper are included within short-term borrowings or repayment of short-term borrowings as appropriate.

(VI) MOVEMENT IN NET DEBT

<TABLE>
<CAPTION>

Years ended December 31,

1999				1998			
Current				Current			
asset	Net	Finance	Cash	asset	Net	Finance	Cash
investments	debt	debt		investments	debt	debt	
(\$ million)							
<S>		<C>	<C>	<C>	<C>	<C>	<C>
<C>	<C>						
At January 1...		(13,755)	405	470	(12,880)	(12,877)	355
1,067 (11,455)							
Net cash flow...		(709)	965	(93)	163	(800)	67
(596) (1,329)							
Other movements.		(67)	--	(150)	(217)	(53)	--
-- (53)							
Exchange adjustments		(13)	(39)	(7)	(59)	(25)	(17)
(1) (43)							
At December 31..		(14,544)	1,331	220	(12,993)	(13,755)	405
470 (12,880)							

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 32 -- OPERATING LEASE COMMITMENTS

Annual commitments under operating leases were as follows:

<TABLE>
<CAPTION>

December 31,

		1999	1998
		Land and buildings	Land and buildings
other			
		(\$ million)	
<S>	<C>	<C>	<C>
<C>			
Expiring within: 1 year		19	50
149			
	2 to 5 years.....	57	92
432			
	Thereafter.....	163	174
99			
		239	316
680			

=====
</TABLE>

The minimum future lease payments (after deducting related rental income from operating sub-leases of \$518 million) were as follows:

<TABLE>
<CAPTION>

December 31,
1999

(\$million)

<S>	
<C>	
2000
924	
2001
801	
2002
736	
2003
556	
2004
504	
Thereafter.....	
1,898	

5,419

=====
</TABLE>

<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 33 -- EMPLOYEE SHARE SCHEMES

BP Amoco offers most of its employees the opportunity to acquire a shareholding in the Company through savings related and matching arrangements (participating share schemes and savings plans). BP Amoco also uses a long-term performance plan (see Note 34) and the granting of share options as elements of employee remuneration.

Under the UK Savings Related Share Option Scheme employee save monthly over a three-or-five year period toward the purchase of shares at a price fixed when the option is granted. The option price is usually set at a 20% discount to the market price at the time of grant. The option must be exercised within six months of maturity of the savings contract otherwise it lapses. Similar schemes are run in a number of overseas countries.

Under the UK Participating Scheme, BP Amoco matches employees' own contribution of shares, up to a predetermined limit, all of which are then held in trust for defined periods before being released to the employee. There are similar schemes in a number of overseas countries.

The Company sponsors a number of savings plans covering most US employees. Under these plans, employees may contribute up to 20% of their salary subject to certain regulatory limits. BP Amoco matches employee contributions up to 7%, depending upon length of service. The plans invest primarily in BP Amoco ADSs. The Company's contributions vest over a period of five years. Company contributions to savings plans during the year were \$95 million (1998 \$91 million).

During 1999, BP Amoco granted options under the BP Amoco Share Option Plan to certain categories of employees. Prior to 1999, BP and Amoco granted options under the BP Executive Share Option Scheme (BP ESOS) and the Amoco Stock Option Plan respectively. Options were granted to former Amoco employees who, under the terms of the merger agreement between BP and Amoco, must, for 1999 and 2000, be granted options on a similar basis to the arrangements under the Amoco Stock Option Plan. Options were also granted to certain former BP US employees. The options were granted at the market price at the date of grant. There are no performance conditions attaching to these grants. The options are exercisable one or two years after the date of grant, and lapse after 10 years.

Also in 1999, options were granted to non-US middle managers in prior years these were granted under the BP ESOS. The options were granted at market price at the date of grant and are not exercisable until a performance condition is satisfied. Before any options can be exercised, the Remuneration Committee will require the total return to shareholders (share price increase with all dividends reinvested) on an investment in BP Amoco shares to exceed the mean total return to shareholders of a representative group of UK companies by a margin set from time to time by the committee. The performance period for each grant will normally be three years. Subject to achievement of the performance conditions, the options are exercisable between the third and tenth anniversaries of the date of grant.

An Employee Share Ownership Plan (ESOP) has been established to acquire BP Amoco shares to satisfy future requirements of certain employee share schemes. Funding is provided to the ESOP by the Company. The assets and liabilities of the ESOP are recognized as assets and liabilities of the Company within these accounts. The ESOP has waived its rights to dividends.

During 1999 the ESOP released 8,779,000 shares for the participating share schemes. The cost of shares released for these schemes has been charged in these accounts. At December 31, 1999 the ESOP held 53,989,000 shares (December 31, 1998, 62,768,000).

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 33 -- EMPLOYEE SHARE SCHEMES (CONTINUED)

BP Amoco has established a Qualifying Employee Share Ownership Trust (QUEST) for the purposes of share option schemes for UK employees and executive directors of the company and its subsidiaries. During the year, contributions of \$61 million (\$42 million) were made by the Company to the QUEST which, together with option-holder contributions, were used by the QUEST to subscribe for new ordinary shares at market price. The cost of this contribution has been transferred by the company directly to retained profits and the excess of the subscription price over nominal value has increased the share premium account.

At December 31, 1999, all the 9,672,542 ordinary shares issued to the QUEST had been transferred to option holders exercising options under the UK Group Savings Related Share Option Scheme.

<TABLE>
<CAPTION>

Years ended

December 31,

	1999	1998
-----	-----	-----
1997		

	(Options	
thousands)		
<S>	<C>	<C>
<C>		
Employee share options granted during the year:		
BP Amoco savings related and similar schemes.....	8,828	9,734
14,778		
BP Amoco share option plan.....	41,054	--
--		
BP ESOS.....	--	2,576
4,538		
Amoco Stock Option Plan.....	--	60,696
53,982		
-----	-----	-----
	49,882	73,006
73,298	=====	=====

=====
</TABLE>

The exercise prices for BP options granted during the year were £4.495/\$7.28 (8,828,566 options) for savings-related and similar schemes and £5.02/\$8.01 (weighted average price) for 41,053,562 options granted under the share option plan.

<TABLE>
<CAPTION>

Years ended

December 31,

	1999	1998
1997		
thousands)		
<S>	<C>	<C>
<C>		
Shares issued in respect of options exercised during the year:		
BP Amoco savings related and similar schemes.....	12,176	12,582
27,948		
BP ESOS.....	7,861	10,260
8,804		
Amoco Stock Option Plan.....	43,611	30,634
28,394		
	63,648	53,476
65,146		
=====	=====	=====
</TABLE>		

In addition 2,514,000 shares (1998, 3,298,000 shares and 1997, 13,644,000 shares) were issued, and 8,779,000 shares (1998, 8,518,000 shares and 1997 nil) released from the ESOP for participating share schemes.

<TABLE>
<CAPTION>

	1999	1998
1997		
<S>	<C>	<C>
<C>		
Options outstanding at December 31:		
BP Amoco options (shares thousands).....	323,161	
346,898 336,066		
Exercise period.....	2000-2009	
1999-2008 1998-2007		
Price.....	\$2.09-\$10.1	
\$1.85-\$7.88 \$1.85-\$5.97		
</TABLE>		

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 33 -- EMPLOYEE SHARE SCHEMES (CONTINUED)

Share option transactions under employee share schemes are summarized as follows:

<TABLE>
<CAPTION>

Years ended December 31,

1997		1999		1998	
Number of shares	weighted average exercise price	Number of shares	weighted average exercise price	Number of shares	weighted average exercise price
	(\$)		(\$)		(\$)
<S>	<C>	<C>	<C>	<C>	<C>
Outstanding at January 1...	3.25	346,897,822	4.34	336,066,100	3.85
336,891,588					
Reinstated.....	3.72	37,480	5.24	33,486	2.82
1,920					
Granted.....	5.47	49,882,128	7.88	73,005,560	5.64
373,298,654					
Exercised.....	2.59	(63,711,433)	3.85	(53,475,492)	3.00
(65,145,366)					
Stock appreciation rights exercised.....	2.40	(542,772)	3.30	(698,720)	2.56
(635,200)					
Cancelled.....	3.68	(9,401,838)	5.54	(8,033,112)	4.73
(8,345,496)					
Outstanding at December 31.	3.85	323,161,387	4.95	346,897,822	4.34
336,066,100					
Exercisable at December 31.		206,116,577		202,132,716	
188,210,596					
Available for grant at December 31.....		1,087,626,398		1,177,618,184	
493,888,856					

</TABLE>

Options outstanding at December 31, 1999 will be exercisable between 2000 and 2009.

Available for grant figures for 1997 are as previously reported for BP p.l.c.

For the share options outstanding and exercisable at December 31, 1998 the exercise price ranges and average remaining lives were:

<TABLE>

<CAPTION>

exercisable

Options outstanding

Options

Weighted average exercise price	Number of Shares	weighted average remaining life (years)	weighted average exercise price (\$)	Number of shares
<S> <C>	<C>	<C>	<C>	<C>
Range of exercise prices				
\$2.01 - \$3.62.....	96,461,832	2.75	3.27	86,451,031
3.30				
\$3.72 - \$4.61.....	62,721,177	5.48	4.26	57,173,680
4.31				
\$4.68 - \$6.93.....	115,913,522	6.91	5.54	62,470,866
5.60				
\$7.28 - \$10.10.....	48,064,916	8.36	7.88	21,000
7.89				
4.28	323,161,387	5.61	4.96	206,116,577
=====	=====	=====	=====	=====

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 33 -- EMPLOYEE SHARE SCHEMES (CONCLUDED)

As allowed by SFAS 123 'Accounting for Stock-Based Compensation' the Company has elected to continue to follow Accounting Principles Board Opinion No. 25, 'Accounting for Stock Issued to Employees'. In accordance with this accounting statement the Company does not recognize compensation expense on the grant of the options. Had compensation expense been determined based upon the fair value of the stock options at grant date consistent with the method of SFAS 123, the Company's profit for the year and profit per Ordinary Share for 1999 would have been reduced by \$65 million (1998 \$47 million and 1997 \$43 million) and 1 cent (1998 1 cent and 1997 1 cent), respectively.

The weighted average fair value of BP Amoco share options granted in 1999 was \$2.27 (1998 \$2.29 and 1997 \$2.97). The fair value of each option grant was estimated on the date of grant using a Black-Scholes option pricing model with the following assumptions for 1999, 1998 and 1997, respectively; risk-free interest rates of 6.5, 6.0 and 7.0%; dividend yield of 3%; expected lives of three to five years and volatility of 32%, 18% and 18%.

In 1998 and earlier years Amoco had granted stock options. Following the merger between BP and Amoco these were converted into BP Amoco share options. The weighted average fair value of Amoco stock options granted in 1998 was \$7.40 and in 1997 was \$8.41. On the basis of BP Amoco shares these equate to values of \$1.86 and \$2.12 respectively. The fair value of each option grant was estimated

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on the date of grant using a Black-Scholes option pricing model with the following assumptions for 1998 and 1997 respectively; risk-free interest rates of 5.7 and 6.7, dividend yield of 4%, expected lives of six years and volatility of 17%.

The effects of applying SFAS 123 for the proforma disclosures are not representative of the effects expected on reported net income and profit per Ordinary Share in future years, since the disclosures do not reflect compensation expense for options granted prior to 1995.

NOTE 34 -- LONG TERM PERFORMANCE PLAN

Senior executives and the executive directors participate in the Long Term Performance Plan (the Plan). This is an incentive scheme under which the Remuneration Committee may award shares to participants or fund the purchase of shares for participants if long-term targets are met. The Plan replaced the granting of executive share options to participants, apart from those based in North America who will continue to receive share options in line with local market practice.

The cost of potential future awards is accrued over the three-year performance periods of each Plan. In any one year, three Plans are in operation. The amount charged in 1999 was \$128 million (1998 \$45 million and 1997 \$28 million).

The value of awards under the 1996-98 Plan made in 1999 was \$52 million (1995-97 Plan \$36 million).

Employee Share Ownership Plans (ESOPs) have been established to acquire BP Amoco shares to satisfy any awards made to participants under the Plan and then to hold them for the participants during the retention period of the Plan. In order to hedge the cost of potential future awards the ESOPs may, from time to time over the performance period of the Plans, purchase BP Amoco shares in the open market. Funding is provided to the ESOPs by the Company. The assets and liabilities of the ESOPs are recognized as assets and liabilities of the Company within these accounts. The ESOPs have waived their rights to dividends.

At December 31, 1999 the ESOPs held 9,502,000 (1998, 6,266,000) shares for potential future awards.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 35 -- DIRECTORS' REMUNERATION

<TABLE>

<CAPTION>

		Years ended	
December 31,			
-----		1999	1998
1997		-----	-----

			(\$ thousand)
<S>		<C>	<C>
<C>			
TOTAL FOR ALL DIRECTORS			
Emoluments (a).....		13,309	6,870
8,264			

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Compensation for loss of office.....	6,126	--
Gains made on the exercise of share options.....	5,158	888
146		
Amounts awarded under long-term incentive schemes.....	7,594	4,434
6,844		
	=====	=====
HIGHEST PAID DIRECTOR		
Emoluments.....	2,434	1,514
1,538		
Gains made on the exercise of share options.....	4,509	806
105		
Amount awarded under long-term incentive schemes.....	--	1,331
1,346		
Accrued pension at December 31.....	1,172	626
554		
	=====	=====
</TABLE>		

(a) Fees in 1998 of \$45,730 and in 1997 of \$60,680 in respect of Mr H M P Miles' services as a non-executive director were paid to his employer.

EMOLUMENTS

These amounts comprise fees paid to the non-executive co-chairman and non-executive directors, and, for executive directors, salary and benefits earned during the relevant financial year, plus bonuses awarded for the year.

PENSION CONTRIBUTIONS

Six executive directors participate in a non-contributory pension scheme established for UK staff by a separate trust fund to which contributions are made by BP Amoco based on actuarial advice. There were no contributions to this pension scheme in 1999, 1998 or 1997. Two executive directors participated in the Employee Retirement Plan for Amoco Corporation.

NOTE 36 -- LOANS TO OFFICERS

Miss J C Hanratty has a low interest loan of \$43,000 made to her prior to her appointment as Company Secretary on October 1, 1994.

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BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 37 -- EMPLOYEE COSTS AND NUMBERS

<TABLE>
<CAPTION>

	Years ended	
December 31,		

	1999	1998
1997	-----	-----

	(\$ million)	

<S>	<C>	<C>
<C>		
EMPLOYEE COSTS		
Wages and salaries.....	5,302	4,995
5,114		
Social security costs.....	359	412
388		
Pension costs.....	(97)	139
141		
-----	-----	-----
5,643	5,564	5,546
=====	=====	=====

</TABLE>

<TABLE>
<CAPTION>

Years ended

December 31,

-----	1999	1998
1997	-----	-----

<S>	<C>	<C>
<C>		
NUMBER OF EMPLOYEES		
Exploration and Production.....	13,300	18,800
19,150		
Refining and Marketing (a).....	45,250	52,100
53,800		
Chemicals.....	18,700	23,050
24,000		
Other businesses and corporate.....	3,150	2,700
3,850		
-----	-----	-----
100,800	80,400	96,650
=====	=====	=====

</TABLE>

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total	-----	-----	-----	-----

AVERAGE NUMBER OF EMPLOYEES

<S>	<C>	<C>	<C>	<C>
<C>				
1999				
Exploration and Production.....	3,950	900	5,300	5,600
15,750				
Refining and Marketing (b).....	9,600	10,050	20,700	8,150
48,500				
Chemicals.....	4,100	4,900	9,850	2,000

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20,850				
Other businesses and corporate.....	1,150	350	1,000	500
3,000				
	-----	-----	-----	-----
	18,800	16,200	36,850	16,250
88,100	=====	=====	=====	=====
=====				
1998				
Exploration and Production	4,050	900	7,900	6,200
19,050				
Refining and Marketing (b).....	10,300	9,700	23,600	9,150
52,750				
Chemicals.....	4,650	5,150	11,600	2,450
23,850				
Other businesses and corporate.....	950	300	1,550	450
3,250				
	-----	-----	-----	-----
	19,950	16,050	44,650	18,250
98,900	=====	=====	=====	=====
=====				
1997				
Exploration and Production.....	3,750	900	8,450	5,700
18,800				
Refining and Marketing.....	9,550	10,000	23,650	9,000
52,200				
Chemicals.....	5,000	4,650	11,850	2,550
24,050				
Other businesses and corporate.....	900	200	1,950	600
3,650				
	-----	-----	-----	-----
	19,200	15,750	45,900	17,850
98,700	=====	=====	=====	=====
=====				
</TABLE>				

(a) Includes 18,050 (1998, 17,300 and 1997, 18,050) employees assigned to the BP/Mobil joint venture.

(b) Includes 7,800 (1998, 8,550 and 1997, 7850) employees assigned to the BP/Mobil joint venture in the UK and 9,650 (1998, 9,350 and 1997, 9,600) employees in the Rest of Europe.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 38 -- PENSIONS

Most Group companies have pension plans, the forms and benefits of which vary with conditions and practices in the countries concerned. The main plans provide benefits that are computed based on an employee's years of service and final pensionable salary. In most cases Group companies make contributions to separately administered trusts, based on advice from independent actuaries using actuarial methods, the objective of which is to provide adequate funds to meet pension obligations as they fall due. In certain countries the plans are

unfunded and the accrued liabilities for pension benefits is included within other provisions.

The net credit to income for pensions in 1999 was \$97 million (1998 \$139 million net charge and 1997 \$141 million net charge). This was assessed in accordance with independent actuarial advice using the projected unit credit method for the Group's major pension plans. The net credit for 1999 includes settlement and curtailment gains of \$150 million arising from the high level of severance during the year.

The principal assumptions used in calculating the credit/charge for the principle plans were as follows:

<TABLE>
<CAPTION>

	Years ended December 31,		
	1999	1998	1997
<S>	<C>	<C>	<C>
UK and other European plans:			
Rate of return on assets.....	6.1%	7%	8.1%
Discount rate.....	6.1%	7%	8.1%
Future salary increases.....	4.3%	5.1%	5.9%
Future pension increases.....	2.5%	3.2%	4.0%
US plans:			
Rate of return on assets.....	10%	10%	10%
Discount rate.....	6.5%	6.9%	7%
Future salary increases.....	4%	4.7%	4.7%
Future pension increases.....	nil	nil	nil

</TABLE>

At January 1, 1999 the date of the latest actuarial valuations or reviews, the market value of assets in the Group's major externally funded pension plans in the UK and the USA was \$23,209 million (\$20,689 million at January 1, 1998). The actuarial value of the assets of these plans represented 125% (1998 123%) of the benefits that had accrued to members of those plans, after allowing for expected future increases in salaries.

At December 31, 1999 the obligation for accrued benefits in respect of the principal unfunded plans in Europe was \$1,513 million (\$1,714 million at December 31, 1998). Of this amount, \$1,234 million (\$1,345 million at December 31, 1998) has been provided in these accounts.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 38 -- PENSIONS (CONTINUED)

Further information in respect of the Group's principal defined benefit pension plans required under FASB Statement of Financial Accounting Standards No. 132 -- 'Employers' Disclosures about Pensions and Other Postretirement Benefits' is set out below.

<TABLE>
<CAPTION>

Years ended
December 31,

Category	Value
Category 1	Value 1
Category 2	Value 2
Category 3	Value 3
Category 4	Value 4
Category 5	Value 5
Category 6	Value 6
Category 7	Value 7
Category 8	Value 8
Category 9	Value 9
Category 10	Value 10
Category 11	Value 11
Category 12	Value 12
Category 13	Value 13
Category 14	Value 14
Category 15	Value 15
Category 16	Value 16
Category 17	Value 17
Category 18	Value 18
Category 19	Value 19
Category 20	Value 20
Category 21	Value 21
Category 22	Value 22
Category 23	Value 23
Category 24	Value 24
Category 25	Value 25
Category 26	Value 26
Category 27	Value 27
Category 28	Value 28
Category 29	Value 29
Category 30	Value 30
Category 31	Value 31
Category 32	Value 32
Category 33	Value 33
Category 34	Value 34
Category 35	Value 35
Category 36	Value 36
Category 37	Value 37
Category 38	Value 38
Category 39	Value 39
Category 40	Value 40
Category 41	Value 41
Category 42	Value 42
Category 43	Value 43
Category 44	Value 44
Category 45	Value 45
Category 46	Value 46
Category 47	Value 47
Category 48	Value 48
Category 49	Value 49
Category 50	Value 50
Category 51	Value 51
Category 52	Value 52
Category 53	Value 53
Category 54	Value 54
Category 55	Value 55
Category 56	Value 56
Category 57	Value 57
Category 58	Value 58
Category 59	Value 59
Category 60	Value 60
Category 61	Value 61
Category 62	Value 62
Category 63	Value 63
Category 64	Value 64
Category 65	Value 65
Category 66	Value 66
Category 67	Value 67
Category 68	Value 68
Category 69	Value 69
Category 70	Value 70
Category 71	Value 71
Category 72	Value 72
Category 73	Value 73
Category 74	Value 74
Category 75	Value 75
Category 76	Value 76
Category 77	Value 77
Category 78	Value 78
Category 79	Value 79
Category 80	Value 80
Category 81	Value 81
Category 82	Value 82
Category 83	Value 83
Category 84	Value 84
Category 85	Value 85
Category 86	Value 86
Category 87	Value 87
Category 88	Value 88
Category 89	Value 89
Category 90	Value 90
Category 91	Value 91
Category 92	Value 92
Category 93	Value 93
Category 94	Value 94
Category 95	Value 95
Category 96	Value 96
Category 97	Value 97
Category 98	Value 98
Category 99	Value 99
Category 100	Value 100

plans

UK and Other
European plans

US

1998

1999

1998

1999

(\$ million)

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<S>	<C>	<C>	<C>
<C>			
Benefit obligation at January 1.....	12,670	11,567	4,424
4,388			
Service cost.....	229	221	118
154			
Interest cost.....	723	787	276
302			
Plan amendments.....	47	--	71
--			
Curtailments, settlements and special termination benefits	--	--	(15)
12			
Actuarial (gain) loss.....	130	518	(93)
60			
Plan participants' contributions.....	21	20	--
--			
Settlement payments.....	--	--	(668)
(26)			
Benefit payments.....	(639)	(619)	(286)
(466)			
Exchange adjustment.....	(591)	176	--
--			
-----	-----	-----	-----
Benefit obligation at December 31.....	12,590	12,670	3,827
4,424			
-----	-----	-----	-----
Fair value of plan assets at January 1.....	17,991	15,915	5,230
4,774			
Actual return on plan assets.....	3,280	2,456	981
833			
Plan participants' contributions.....	21	20	--
--			
Employer contributions.....	--	8	74
115			
Settlement payments.....	--	--	(668)
(26)			
Benefit payments.....	(534)	(515)	(286)
(466)			
Exchange adjustment.....	(569)	107	--
--			
-----	-----	-----	-----
Fair value of plan assets at December 31.....	20,189	17,991	5,331
5,230			
-----	-----	-----	-----
Funded status.....	7,599	5,321	1,504
806			
Unrecognized transition asset.....	(252)	(318)	(14)
(32)			
Unrecognized net actuarial (gain) loss.....	(7,012)	(4,914)	(740)
(207)			
Unrecognized prior service cost.....	135	111	13
(53)			
-----	-----	-----	-----
Net amount recognized.....	470	200	763
514			

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	=====	=====	=====
Prepaid benefit cost.....	1,704	1,545	837
656			
Accrued benefit liability.....	(1,473)	(1,644)	(142)
(190)			
Intangible asset.....	78	126	5
--			
Accumulated other comprehensive income.....	161	173	63
48			
	-----	-----	-----
	470	200	763
514	=====	=====	=====

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 38 -- PENSIONS (CONCLUDED)

Major assumptions used to determine projected benefit obligations for the principal pension plans were as follows:

<TABLE>
<CAPTION>

	December 31,	
	1999	1998
1997		
	-----	-----
<S>	<C>	<C>
<C>		
UK and other European plans:		
Compensation increase.....	4.8%	4.3%
5.1%		
Discount rate.....	6.5%	6.1%
7%		
US plans:		
Compensation increase.....	4.0%	4.7%
4.7%		
Discount rate.....	7.5%	6.5%
6.9%		

</TABLE>

Plan assets are held in equity securities, fixed income securities and real estate.

NOTE 39 -- OTHER POSTRETIREMENT BENEFITS

Certain Group companies, principally in the United States, provide postretirement healthcare and life insurance benefits to their retired employees and dependants. The entitlement to these benefits is usually based on the employee remaining in service until retirement age and completion of a minimum period of service. The plans are partly funded and the accrued net liability for postretirement benefits is included within other provisions.

The charge to income for postretirement benefits in 1999 of \$42 million (1998 \$101 million and 1997 \$110 million) was assessed in accordance with independent actuarial advice using the projected unit credit method. The charge for 1999 is net of a curtailment gain of \$62 million arising from the high level of severance during the year.

At December 31, 1999 the independent actuaries have reassessed the obligation for postretirement benefits at \$1,638 million (\$1,814 million at December 31, 1998). The provision for postretirement benefits at December 31, 1999 was \$2,244 million (\$2,311 million at December 31, 1998).

The discount rate used to assess the obligation at December 31, 1999 was 7.5% (6.5% at December 31, 1998). The assumed future healthcare cost trend rate for 2000 and subsequent years is 5%.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 39 -- OTHER POSTRETIREMENT BENEFITS (CONCLUDED)

Further information presented in compliance with the requirements of FASB Statement of Financial Accounting Standards No. 132 -- 'Employers' Disclosures about Pensions and Other Postretirement Benefits' is set out below.

<TABLE>
<CAPTION>

December 31,	Years ended	
-----	1999	1998
1997	-----	-----
-----	(\$ million)	
<S>	<C>	<C>
<C>		
Service cost -- benefits earned during year.....	34	39
40		
Interest cost on projected benefit obligation.....	113	114
116		
Expected return on plan assets.....	(4)	(1)
--		
Recognized net actuarial gain.....	(31)	(28)
(24)		
Amortization of prior service cost recognized.....	(8)	(23)
(22)		
Curtailment.....	(62)	--
--		
-----	-----	-----
Postretirement benefit expense.....	42	101
110	=====	=====
=====		

</TABLE>

<TABLE>

<CAPTION>		1999
1998		
-----		-----
million)		(\$
<S>		<C>
<C>		
Benefit obligation at January 1.....	1,709	1,814
Service cost.....	39	34
Interest cost.....	114	113
Plan amendments.....	--	22
Curtailment gain.....	--	(21)
Actuarial (gain) loss.....	52	(214)
Benefit payments.....	(100)	(110)
-----		-----
Benefit obligation at December 31.....	1,814	1,638
-----		-----
Fair value of plan assets at January 1.....	--	49
Actual return on plan assets.....	9	6
Employer contributions.....	40	(2)
-----		-----
Fair value of plan assets at December 31.....	49	53
-----		-----
Funded status.....	(1,765)	(1,585)
Unrecognized net actuarial gain.....	(382)	(570)
Unrecognized prior service cost.....	(164)	(89)
-----		-----
Provision for postretirement benefits.....	(2,311)	(2,244)
=====		=====
</TABLE>		

The assumed healthcare cost trend rate has a significant effect on the amounts reported. A one-percentage-point change in the assumed healthcare cost trend rate would have the following effects:

<TABLE>
<CAPTION>

1-Percentage

1-Percentage

point increase point

(\$ million)

<S>	<C>	<C>
Effect on total of service and interest cost in 1999.....	18	
(14)		
Effect on postretirement obligation at December 31, 1999....	164	
(137)		
</TABLE>		

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 40 -- CONTINGENT LIABILITIES

There were contingent liabilities at December 31, 1999 in respect of guarantees and indemnities entered into as part of, and claims arising from, the ordinary course of the Group's business, upon which no material losses are likely to arise.

Approximately 200 lawsuits were filed in State and Federal Courts in Alaska seeking compensatory and punitive damages arising out of the Exxon Valdez oil spill in Prince William Sound in March 1989. Most of those suits named Exxon (now ExxonMobil), Alyeska Pipeline Service Company (Alyeska), which operates the oil terminal at Valdez, and the other oil companies which own Alyeska. Alyeska initially responded to the spill until the response was taken over by Exxon. BP Amoco owns a 50% interest in Alyeska through a subsidiary of BP America Inc. Alyeska and its owners have settled all of the claims against them under these lawsuits. Exxon has indicated that it may file a claim for contribution against Alyeska for a portion of the costs and damages which it has incurred. If any claims are asserted by Exxon which affect Alyeska and its owners, BP Amoco would defend the claims vigorously.

The Internal Revenue Service (IRS) has challenged the application of certain foreign income taxes as credits against BP Amoco Corporation's US taxes that otherwise would have been payable for the years 1980 to 1992. On June 18, 1992, the IRS issued a statutory Notice of Deficiency for additional taxes in the amount of \$466 million, plus interest, relating to 1980 to 1982. BP Amoco filed a petition in the US Tax Court contesting the IRS statutory Notice of Deficiency. Trial on the matter was held in April 1995, and a decision was rendered by the US Tax Court in March 1996, in BP Amoco's favor. The IRS has appealed the Tax Court's decision to the US Court of Appeals for the Seventh Circuit and on March 11, 1998 the Seventh Circuit affirmed the Tax Court's prior decision. A comparable adjustment of foreign tax credits for each year has been proposed for the years 1983 to 1992 based upon subsequent IRS audits. In November 1999, BP Amoco Corporation reached an agreement with the IRS that effectively resolves this issue at a minimal tax cost to the company. On 13December1999 the parties filed a status report with the US Tax Court for the years 1983-1989 advising the Court that a basis for settlement had been reached and that final calculations were in the process of being prepared. Once these calculations are finalized, the parties expect to file an agreed decision document for the Court's final approval, which will then conclude the litigation.

The Group is subject to numerous national and local environmental laws and regulations concerning its products, operations and other activities. These laws and regulations may require the Group to take future action to remediate the

effects on the environment of prior disposal or release of chemical or petroleum substances by the Group or other parties. Such contingencies may exist for various sites including refineries, chemical plants, oil fields, service stations, terminals and waste disposal sites. In addition, the Group may have obligations relating to prior asset sales or closed facilities. The ultimate requirement for remediation and its cost is inherently difficult to estimate. However, the estimated cost of known environmental obligations has been provided in these accounts in accordance with the Group's accounting policies. While the amounts of future costs could be significant and could be material to the Group's results of operations in the period in which they are recognized, BP Amoco does not expect these costs to have a material effect on the Group's financial position or liquidity.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 41 -- JOINT VENTURES AND ASSOCIATED UNDERTAKINGS

Summarized financial information for the Group's share of its joint ventures is shown below. The principal joint venture is the pan-European refining and marketing joint venture with ExxonMobil, which is jointly controlled. The other significant joint ventures of the BP Amoco Group at December 31, 1998 are shown in Note 46.

<TABLE>
<CAPTION>

	December
31,	

1998	1999
-----	-----
	(\$
million)	
<S>	<C>
<C>	
Turnover.....	17,614
15,428	
-----	-----
Profit for the period before tax.....	1,037
546	
-----	-----
Profit for the period after tax.....	1,032
561	
-----	-----
Fixed assets.....	5,366
5,681	
Current assets.....	4,582
3,372	
-----	-----
	9,948
9,053	
Liabilities due within one year.....	4,172
3,586	

5,204

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<C>

1999

Gross capitalized costs:

Proved properties.....	22,874	2,738	35,826	14,166
75,604				

Unproved properties.....	412	79	741	2,067
3,299				

	23,286	2,817	36,567	16,233
78,903				

Accumulated depreciation (b).....	13,160	1,890	20,751	8,279
44,080				

Net capitalized costs.....	10,126	927	15,816	7,954
34,823				

1998

Gross capitalized costs:

Proved properties.....	23,290	2,934	35,383	15,078
76,685				

Unproved properties.....	400	76	890	1,915
3,281				

	23,690	3,010	36,273	16,993
79,966				

Accumulated depreciation (b).....	12,670	1,865	20,741	8,183
43,459				

Net capitalized costs.....	11,020	1,145	15,532	8,810
36,507				

1997

Gross capitalized costs:

Proved properties.....	21,250	2,917	34,166	14,137
72,470				

Unproved properties.....	323	55	914	1,776
3,068				

	21,573	2,972	35,080	15,913
75,538				

Accumulated depreciation (b).....	10,975	1,736	20,924	7,889
41,524				

Net capitalized costs.....	10,598	1,236	14,156	8,024
34,014				

</TABLE>

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 42-- OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES (a) (CONTINUED)

COSTS INCURRED FOR THE YEAR ENDED DECEMBER 31

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total	-----	-----	-----	-----
			(\$ million)	
<S>	<C>	<C>	<C>	<C>
<C>				
1999				
Acquisition of properties:				
Proved.....	--	--	396	--
396				
Unproved.....	--	--	23	130
153				
	-----	-----	-----	-----
	--	--	419	130
549				
Exploration and appraisal costs (c)....	83	39	287	439
848				
Development costs.....	676	71	1,212	956
2,915				
	-----	-----	-----	-----
Total costs.....	759	110	1,918	1,525
4,312	=====	=====	=====	=====
=====				
1998				
Acquisition of properties:				
Proved.....	--	--	3	54
57				
Unproved.....	--	1	58	62
121				
	-----	-----	-----	-----
	--	1	61	116
178				
Exploration and appraisal costs (c)....	177	106	476	764
1,523				
Development costs.....	1,432	100	1,670	1,569
4,771				
	-----	-----	-----	-----
Total costs.....	1,609	207	2,207	2,449
6,472	=====	=====	=====	=====
=====				
1997				
Acquisition of properties:				
Proved.....	--	95	7	7
109				

Unproved..... 165	15	3	121	26
-----	-----	-----	-----	-----
274	15	98	128	33
Exploration and appraisal costs (c).... 1,791	192	133	524	942
Development costs..... 5,082	1,463	161	1,744	1,714
-----	-----	-----	-----	-----
Total costs..... 7,147	1,670	392	2,396	2,689
=====	=====	=====	=====	=====

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 42-- OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES (a) (CONTINUED)
RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total	-----	-----	-----	-----
-----	-----	-----	-----	-----
<S>	<C>	<C>	(\$ million) <C>	<C>
<C>				
1999				
Turnover (d):				
Third parties..... 9,856	2,258	644	4,738	2,216
Sales between businesses..... 6,580	2,251	108	1,283	2,938
-----	-----	-----	-----	-----
16,436	4,509	752	6,021	5,154
-----	-----	-----	-----	-----
Exploration expense..... 548	51	20	172	305
Production costs..... 2,975	734	98	1,387	756
Production taxes..... 947	167	2	283	495
Other costs (income) (e)..... 2,547	157	16	1,231	1,143
Depreciation and amounts provided..... 3,208	1,306	138	1,113	651
-----	-----	-----	-----	-----

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2,415 274 4,186 3,350

10,225

Profit before taxation (f).....	2,094	478	1,835	1,804
6,211				
Allocable taxes.....	643	312	483	497
1,935				

Results of operations	1,451	166	1,352	1,307
4,276				

1998

Turnover (d):

Third parties.....	2,481	520	2,027	905
5,933				
Sales between businesses.....	1,063	73	2,782	2,133
6,051				

	3,544	593	4,809	3,038
--	-------	-----	-------	-------

Exploration expense.....	134	89	240	458
921				
Production costs.....	878	146	1,548	888
3,460				
Production taxes.....	15	6	233	320
574				
Other costs (income) (e).....	(50)	(18)	780	384
1,096				
Depreciation and amounts provided.....	1,183	169	1,168	1,072
3,592				

	2,160	392	3,969	3,122
--	-------	-----	-------	-------

Profit (loss) before taxation (f).....	1,384	201	840	(84)
2,341				
Allocable taxes.....	378	79	111	115
683				

Results of operations	1,006	122	729	(199)
1,658				

</TABLE>

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 42-- OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES (a) (CONTINUED)

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<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of World
Total	-----	-----	-----	-----
			(\$ million)	
<S>	<C>	<C>	<C>	<C>
<C>				
1997				
Turnover (d):				
Third parties.....	3,175	900	3,456	1,465
8,996				
Sales between businesses.....	1,322	--	3,315	2,972
7,609				
	-----	-----	-----	-----
	4,497	900	6,771	4,437
16,605				
	-----	-----	-----	-----
Exploration expense.....	156	79	273	454
962				
Production costs.....	743	176	1,378	944
3,241				
Production taxes.....	283	19	446	536
1,284				
Other costs (income) (e).....	50	(11)	720	690
1,449				
Depreciation and amounts provided.....	1,236	185	1,163	707
3,291				
	-----	-----	-----	-----
	2,468	448	3,980	3,331
10,227				
	-----	-----	-----	-----
Profit before taxation (f).....	2,029	452	2,791	1,106
6,378				
Allocable taxes.....	655	206	896	501
2,258				
	-----	-----	-----	-----
Results of operations	1,374	246	1,895	605
4,120	=====	=====	=====	=====

</TABLE>

The Group's share of associated undertakings results of operations in 1999 was a profit of \$204 million (1998 \$40 million and 1997 \$13 million) after adding a tax credit of \$6 million (1998 \$19 million and 1997 nil).

The Group's share of associated undertakings net capitalized costs at December 31, 1999 was \$1,442 million (December 31, 1998 \$2,212 million and December 31, 1997 \$2,662 million).

The Group's share of associated undertakings costs incurred in 1999 was \$49 million (1998 \$282 million and 1997 \$1,349 million).

- (a) Information given in this note relates to the Group's oil and natural gas activities. Midstream activities of natural gas gathering and distribution and the operation of the main pipelines and tankers are excluded. The main midstream activities are the Alaskan transportation facilities, the Forties Pipeline system, the Central Area Transmission system and Ruhrgas gas distribution operations. Profits (losses) on sale of businesses and fixed assets and restructuring costs relating to the oil and natural gas exploration and production activities which have been accounted as exceptional items, are also excluded.
- (b) Accumulated depreciation consists of depreciation, depletion and amortization related to oil and natural gas producing activities.
- (c) Exploration and appraisal drilling expenditure and licence acquisition costs are initially capitalized within intangible fixed assets in accordance with the Group's accounting policy.
- (d) Turnover represents sales of production excluding royalty oil where royalty is payable in kind.
- (e) Includes cost of royalty oil not taken in kind and property taxes.

<PAGE>

NOTE 42-- OIL AND GAS EXPLORATION AND PRODUCTION ACTIVITIES (a) (CONCLUDED)

<TABLE>
<CAPTION>

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5	--Associated undertakings.....	(15)	--	31
94	21 Midstream activities.....	297	171	307
	869			
15	Total replacement cost operating profit	1,666	372	1,178
	3,231			
=====				
1,106	1997 Exploration and production activities			
2	--Group (as above).....	2,029	452	2,791
226	6,378 --Associated undertakings.....	(8)	--	19
	13 Midstream activities.....	290	159	319
	994			
1,334	Total replacement cost operating profit	2,311	611	3,129
	7,385			
=====				

</TABLE>

NOTE 43 -- NEW ACCOUNTING STANDARD

The BP Amoco Group adopted Financial Reporting Standard No.12 'Provisions, Contingent Liabilities and Contingent Assets' (FRS12) with effect from January 1, 1999. This standard changes the criteria for recognizing provisions for such costs as decommissioning, environmental liabilities, onerous contracts and restructuring charges. It also requires provisions for liabilities which may not be settled for a number of years to be discounted to their net present value. The adoption of this standard has been treated as a change in accounting policy. Comparative figures have been restated to reflect this change in accounting policy.

The principal effects of the adoption of FRS12 are as follows:

- Provisions for environmental liabilities are determined on a discounted basis as the effect of the time value of money is material. Previously these liabilities were on an undiscounted basis.
- Provisions for decommissioning are recognized in full, on a discounted basis, at the commencement of oil and natural gas production. The BP Amoco Group's prior practice was to accrue the expected cost of decommissioning oil and natural gas production facilities on a unit-of-production basis over the life of the field. FRS12 also requires the BP Amoco Group to capitalize an amount equivalent to the provision as a tangible fixed asset and to amortize this amount over the life of the field on a unit-of-production basis.
- The unwinding of the discount, which represents a period-by-period cost, is included within interest expense.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 43 -- NEW ACCOUNTING STANDARD (CONCLUDED)
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(d) Liabilities in respect of certain onerous contracts have been recognized.

The effect of the change in accounting policy has been for 1999 to increase total replacement cost operating profit and profit for the year, and for 1998 to increase total replacement cost operating profit and reduce the profit for the year as set out below.

<TABLE>
<CAPTION>

December 31,		Years ended
1998	1997	1999
-----		-----
million)		(\$
<S>		<C>
<C>	<C>	
84	100	121
--	--	66
--	--	--
--	(118)	--
--	(265)	--
(124)	(127)	(110)
--	53	--
-----		-----
(40)	(357)	77
=====		=====

The adjustments to tangible assets and provisions for liabilities and charges at December 31, 1998 are as follows:

Tangible assets.....	415
Other creditors.....	62
Other provisions.....	238

BP Amoco shareholders' interest.....	715
--------------------------------------	-----

</TABLE>

NOTE 44 -- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

The consolidated financial statements of the BP Amoco Group are prepared in accordance with UK GAAP which differs in certain respects from US GAAP. The
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principal differences between US GAAP and UK GAAP for BP Amoco Group reporting relate to the following:

(A) GROUP CONSOLIDATION

Investments in entities over which the Group does not exercise control (associates and joint ventures) are accounted for by the equity method.

UK GAAP requires the consolidated financial statements to show separately the Group proportion of operating profit or loss, exceptional items, inventory holding gains or losses, interest expense and taxation of associated undertakings and joint ventures. In addition the turnover of joint ventures should be disclosed. For US GAAP the after tax profits or losses (i.e. operating results after exceptional items, inventory holding gains or losses, interest expense and taxation) are included in the income statement as a single line item.

UK GAAP requires the Group's share of the gross assets and gross liabilities of joint ventures to be shown on the face of the balance sheet whereas under US GAAP the net investment is included as a single line item.

Where the Group conducts activities through a joint arrangement that is not carrying on a trade or business in its own right the Group accounts for its own assets, liabilities and cash flows of the activity measured according to the terms of the arrangement. For the Group this method of accounting applies to certain oil and natural gas activities and undivided interests in pipelines. US GAAP requires these activities to be accounted for by proportional consolidation, which is equivalent to UK GAAP.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

(A) GROUP CONSOLIDATION (CONCLUDED)

The following summarizes the reclassifications for associates and joint ventures necessary to accord with US GAAP.

<TABLE>

<CAPTION>

Year ended December 1999

US GAAP Presentation		AS	
		Reported	Reclassification
		(\$ million)	
		<C>	<C>
<S>			
<C>			
CONSOLIDATED STATEMENT OF INCOME			
1,813	Other income.....	414	1,399
--	Share of profits of JVs and associated undertakings	1,158	(1,158)
(2,279)	Exceptional items before taxation.....	(2,280)	1

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1,181	Inventory holding gains (losses).....	1,728	(547)
1,115	Interest expense.....	1,316	(201)
1,776	Taxation.....	1,880	(104)
5,008	Profit for the year.....	5,008	--

</TABLE>

<TABLE>

<CAPTION>

Year ended December 1998

US GAAP		AS	
Presentation		Reported	Reclassification
			(\$ million)
		<C>	<C>
<C>	<S>		
	CONSOLIDATED STATEMENT OF INCOME		
1,517	Other income.....	709	808
--	Share of profits of JVs and associated undertakings	1,347	(1,347)
765	Exceptional items before taxation.....	850	(85)
(1,061)	Inventory holding gains (losses).....	(1,391)	330
1,015	Interest expense.....	1,177	(162)
1,388	Taxation.....	1,520	(132)
3,220	Profit for the year.....	3,220	--

</TABLE>

<TABLE>

<CAPTION>

Year ended December

1997

US GAAP		AS	
Presentation		Reported	Reclassification
			(\$ million)
		<C>	<C>
<C>	<S>		
	CONSOLIDATED STATEMENT OF INCOME		
1,248	Other income.....	662	586
	Share of profits of JVs and associated undertakings	1,100	(1,100)

--	Exceptional items before taxation.....	128	123
251	Inventory holding gains (losses).....	(939)	200
(739)	Interest expense.....	1,035	(83)
952	Taxation.....	3,013	(108)
2,905	Profit for the year.....	5,673	--
5,673			

</TABLE>

(B) INCOME STATEMENT

The income statement prepared under UK GAAP shows sub-totals for replacement cost profit before interest and tax, historical cost profit before interest and tax and profit after taxation. These line items are not recognized under US GAAP.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

(C) EXCEPTIONAL ITEMS

Under UK GAAP certain exceptional items are shown separately on the face of the income statement after operating profit. These items are profits or losses on the sale of businesses and fixed assets and fundamental restructuring charges. Under US GAAP these items are classified as operating income or expenses.

(D) IMPAIRMENT

Both UK and US GAAP require that long-lived assets and certain identifiable intangibles to be held and used by an entity be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. US GAAP requires, in performing the review for recoverability, the entity to estimate the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized. Otherwise, no impairment loss is recognized. Measurement of an impairment loss for long-lived assets and identifiable intangibles that an entity expects to hold and use is based on the fair value of the assets.

For UK GAAP to the extent that the carrying amount exceeds the recoverable amount, that is the higher of net realizable value and value in use (fair value) the fixed asset is written down to its recoverable amount.

No UK/US GAAP adjustment was required for impairment.

(E) PROVISIONS

UK GAAP requires provisions for decommissioning, environmental liabilities and onerous contracts to be determined on a discounted basis if the effect of the time value of money is material. Under US GAAP (i) environmental liabilities are discounted only where the timing and amounts of payments are fixed and reliably determinable and (ii) provisions for decommissioning

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are provided on a unit-of-production basis over field lives.

The adjustments for decommissioning expense, interest expense and decommissioning and environmental provisions arise from the differences between the UK and US GAAP bases for determining provisions

(F) DEFERRED TAXATION

Under the UK GAAP restricted liability method, deferred taxation is only provided where timing differences are expected to reverse in the foreseeable future. Under US GAAP deferred taxation is provided for temporary differences between the financial reporting basis and the tax basis of the Group's assets and liabilities at enacted tax rates.

US GAAP requires the recognition of a deferred tax asset or liability for the tax effects of differences between the assigned values and the tax bases of assets acquired and liabilities assumed in a purchase business combination, whereas under US GAAP no such deferred tax asset or liability is recognized. Under US GAAP the deferred tax asset or liability is amortized over the same period as the assets and liabilities to which it relates.

The adjustments for fixed assets, depreciation and deferred taxation arise from the difference between the UK GAAP and US GAAP bases for deferred taxation.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

(F) DEFERRED TAXATION (CONCLUDED)

At December 31, 1999, the adjustment to the carrying amount of fixed assets was \$1,210 million (\$1,325 million at December 31, 1998) and the related deferred tax liability \$1,145 million (\$1,236 million at December 31, 1998). The charge for depreciation in 1999 in respect of these assets was \$115 million (1998 \$123 million and 1997 \$162 million) and the credit for taxation \$91 million (1998 \$256 million and 1997 \$166 million). The UK/US GAAP adjustment for deferred taxation may be summarized as follows:

<TABLE>
<CAPTION>

	1999
1998	-----

	(\$
million)	
<S>	<C>
<C>	
Increase in provision from restricted liability to gross potential liability.....	5,356
4,677 Tax liability resulting from business combination.....	1,145
1,236 Net tax asset on sale and leaseback of Chicago office building, severance costs, European joint venture implementation costs, and other adjustments.....	(419)
(137)	

5,776	6,082
-------	-------

=====
</TABLE>

The major components of deferred tax liabilities and assets on a US GAAP basis were as follows:

<TABLE>
<CAPTION>

	December
31,	
	1999
1998	
	(\$
million)	
<S> Depreciation.....	<C> (11,394) <C>
(11,087) Other taxable temporary differences.....	(1,733)
(1,249)	
Total deferred tax liabilities.....	(13,127)
(12,336)	
Petroleum revenue tax.....	332
420 Decommissioning and other provisions.....	2,362
2,279 Advance corporation tax.....	--
33 Tax credit and loss carry forward.....	1,726
1,870 Other deductible temporary differences.....	1,141
1,080	
Gross deferred tax assets.....	5,561
5,682 valuation allowance.....	(299)
(754)	
Net deferred tax assets.....	5,262
4,928	
Net deferred tax liability*.....	7,865
7,408	

=====
</TABLE>

* Primarily noncurrent.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

(G) ORDINARY SHARES HELD FOR FUTURE AWARDS TO EMPLOYEES

Under UK GAAP, Company shares held by an Employee Share Ownership Plan to meet future requirements of employee share schemes are recorded in the balance sheet as Fixed assets -- investments. Under US GAAP, such shares are recorded in the balance sheet as a reduction of shareholders' interest.

(H) SALE AND LEASEBACK

The sale and leaseback of the Amoco building in Chicago, Illinois in 1998 is treated as a sale for UK GAAP whereas for US GAAP it is treated as a financing transaction.

A provision was recognized under UK GAAP in 1999 to cover the likely shortfall on rental income from subletting the Chicago office building. As the original sale and leaseback was not treated as a sale for US GAAP the provision has been reversed for US GAAP.

Under UK GAAP the profit arising on the sale and operating leaseback of certain railcars in 1999 is taken to income in the period in which the transaction occurs. Under US GAAP this profit is not recognized immediately but amortised over the term of the operating lease.

(I) DIVIDENDS

Under UK GAAP, dividends are recorded in the year in respect of which they are announced or declared by the board of directors to the shareholders. Under US GAAP, dividends are recorded in the period in which dividends are declared.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

The following is a summary of the adjustments to profit for the year and to BP Amoco shareholders' interest which would be required if US GAAP had been applied instead of UK GAAP:

PROFIT FOR THE YEAR

<TABLE>
<CAPTION>

	Years ended	
December 31,		
	1999	1998

1997		
	-----	-----

	(\$ million per share)	
except amounts)		
<S>	<C>	<C>
<C>		
Profit as reported in the consolidated statement of income.. 5,673	5,008	3,220
Adjustments:		
Depreciation charge..... (101)	(81)	(76)
Decommissioning and environmental expense..... (161)	(165)	(131)
Onerous property leases.....	133	--
Interest expense..... 127	110	124
Sale and leaseback of fixed assets.....	(37)	(211)
Deferred taxation..... 41	(378)	(72)
Other..... 107	6	(28)
Profit for the year as adjusted to accord with US GAAP..... 5,686	4,596	2,826
Dividend requirements on preference shares..... 1	2	1
Profit for the year applicable to Ordinary Shares as adjusted to accord with US GAAP..... 5,685	4,594	2,825
Profit for the year as adjusted: Per Ordinary Share - cents		
Basic..... 29.62	23.70	14.72
Diluted..... 29.46	23.56	14.66
Per American Depositary Share - cents		
Basic..... 177.72	142.20	88.32
Diluted..... 176.76	141.36	87.96

</TABLE>

BP AMOCO SHAREHOLDERS' INTEREST

<TABLE>
<CAPTION>

31,

December

1998	1999
-----	-----
million)	(\$
<S>	<C>
<C>	
BP Amoco shareholders' interest as reported in the consolidated balance sheet.....	43,281
42,501	
Adjustments:	
Fixed assets.....	1,237
1,112	
Ordinary shares held for future awards to employees.....	(456)
(489)	
Sale and leaseback of Chicago office building.....	(413)
(413)	
Decommissioning and environmental provisions.....	(499)
(238)	
Onerous property leases.....	139
--	
Deferred taxation.....	(6,082)
(5,776)	
Fourth quarterly dividend.....	972
968	
Pension liability adjustment.....	(144)
(143)	
Other.....	(197)
(188)	
-----	-----
BP Amoco shareholders' interest as adjusted to accord with US GAAP	37,838
37,334	
=====	=====
</TABLE>	

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

COMPREHENSIVE INCOME

The components of comprehensive income, net of related tax are as follows:

<TABLE>
<CAPTION>

December 31,	Years ended	
-----	1999	1998
1997	-----	-----

	(\$ million)	
<S>	<C>	

<C>		
Profit for the period as adjusted to accord with US GAAP....	4,596	2,826
5,686		
Currency translation differences.....	(921)	55
(1,587)		
Pension liability adjustment.....	- (1)	(33)
7		
-----	-----	-----
Comprehensive income.....	3,674	2,848
4,106		
	=====	=====
=====		
</TABLE>		

Accumulated other comprehensive income at December 31, 1999 comprised currency translation losses of \$1,374 million (December 31, 1998 losses \$453 million) and pension liability adjustments of \$144 million (December 31, 1998 \$143 million).

CONSOLIDATED BALANCE SHEET

Under US GAAP Trade and other receivables due after one year of \$3,455 million at December 31, 1999 (\$3,305 million at December 31, 1998), included within current assets, would have been classified as noncurrent assets. Borrowing under US Industrial Revenue/Municipal Bonds of \$1,376 million (December 31, 1998 \$1,277 million) included within current liabilities -- falling due within one year would under US GAAP have been classified as noncurrent liabilities. The provision for deferred taxation is primarily in respect of noncurrent items.

CONSOLIDATED STATEMENT OF CASH FLOWS

The Group's financial statements include a consolidated statement of cash flows in accordance with the revised UK Financial Reporting Standard No. 1 (FRS1). The statement prepared under FRS1 presents substantially the same information as that required under FASB Statement of Financial Accounting Standards No. 95 'Statement of Cash Flows' (SFAS 95).

Under FRS1 cash flows are presented for (i) operating activities; (ii) dividends from joint ventures; (iii) dividends from associated undertakings; (iv) servicing of finance and returns on investments; (v) taxation; (vi) capital expenditure and financial investment; (vii) acquisitions and disposals; (viii) dividends; (ix) management of liquid resources; and (x) financing. SFAS 95 only requires presentation of cash flows from operating, investing and financing activities.

Cash flows under FRS1 in respect of dividends from joint ventures and associated undertakings, taxation and servicing of finance and returns on investments are included within operating activities under SFAS 95. Interest paid includes payments in respect of capitalized interest, which under SFAS 95 are included in capital expenditure under investing activities. Cash flows under FRS1 in respect of capital expenditure and acquisitions and disposals are included in investing activities under SFAS 95. Dividends paid are included within financing activities. All short-term investments are regarded as liquid resources for FRS1. Under SFAS 95 short-term investments with original maturities of three months or less are classified as cash equivalents and aggregated with cash in the cash flow statement. Cash flows in respect of short-term investments with original maturities exceeding three months are included in operating activities.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONTINUED)

The statement of consolidated cash flows presented in accordance with SFAS 95 is as follows:

<TABLE>
<CAPTION>

December 31,	Years ended	
	1999	1998
-----	-----	-----
1997		

<S>	<C>	(\$ million)
<C>		<C>
OPERATING ACTIVITIES		
Profit after taxation.....	5,146	3,283
5,824		
Adjustments to reconcile profit after tax to net cash provided by operating activities:		
Depreciation and amounts provided.....	4,965	5,301
5,117		
Exploration expenditure written off.....	304	373
365		
Share of profit (losses) of joint ventures and associated undertakings less dividends received.....	(536)	(136)
(36)		
Profit (loss) on sale of businesses and fixed assets	379	(963)
(563)		
Working capital decrease (increase) (a).....	(1,676)	380
2,370		
Other.....	318	255
382		
-----	-----	-----
NET CASH PROVIDED BY OPERATING ACTIVITIES.....	8,900	8,493
13,459		
-----	-----	-----
INVESTING ACTIVITIES		
Capital expenditures.....	(6,314)	(9,026)
(8,995)		
Acquisitions.....	(102)	(314)
--		
Investment in associated undertakings.....	(197)	(396)
(1,021)		
Net investment in joint ventures.....	(750)	708
(1,967)		
Proceeds from disposal of assets.....	2,441	2,167
1,832		
-----	-----	-----
NET CASH USED IN INVESTING ACTIVITIES.....	(4,922)	(6,861)
(10,151)		
-----	-----	-----

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FINANCING ACTIVITIES

Proceeds from shares issued (repurchased)	245	(423)
(1,250)		
Proceeds from long-term financing.....	2,140	2,078
1,124		
Repayments of long-term financing.....	(2,268)	(1,208)
(863)		
Net increase (decrease) in short-term debt.....	837	(70)
(23)		
Dividends paid -- Shareholders.....	(4,135)	(2,408)
(2,437)		
-- Minority shareholders.....	(151)	(130)

NET CASH USED IN FINANCING ACTIVITIES.....	(3,332)	(2,161)
(3,449)		

Currency translation differences relating to cash and cash equivalents.....	15	(15)
(28)		

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	661	(544)
(169)		
Cash and cash equivalents at beginning of year.....	794	1,338
1,507		

Cash and cash equivalents at end of year.....	1,455	794
1,338		

</TABLE>

<TABLE>
<CAPTION>

<S>	<C>	<C>
<C>		
(a)Working capital:		
Inventories (increase) decrease	(1,562)	584
1,740		
Receivables (increase) decrease	(3,854)	1,777
2,119		
Current liabilities (excluding finance debt) increase (decrease).....	3,740	(1,981)
(1,489)		
	(1,676)	380

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 44-- US GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (CONCLUDED)
Page 227

IMPACT OF NEW ACCOUNTING STANDARDS

DERIVATIVE INSTRUMENTS AND HEDGING ACTIVITIES: In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards No. 133 'Accounting for Derivative Instruments and Hedging Activities' ('SFAS 133'). The effective date of this standard was delayed for one year, to accounting periods beginning after June 15, 2000, by Statement of Financial Accounting Standards No. 137, 'Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133 - an amendment of FASB Statement No. 133', issued in June 1999. SFAS 133 requires that all derivative instruments be recorded on the balance sheet at their fair value. Changes in the fair value of derivatives are recorded each period in current earnings or other comprehensive income, depending on whether a derivative is designated as part of a hedge transaction and, if it is, the type of hedge transaction. The Company has not yet completed its evaluation of the impact of adopting SFAS 133 on the Group's results of operations and financial position as adjusted to accord with US GAAP.

START-UP COSTS: Effective January 1, 1999 the Group adopted the American Institute of Certified Public Accountants' issued Statement of Position No. 98-5, 'Reporting on the Costs of Start-up Activities' (SOP 98-5). This Statement requires costs associated with start-up activities and organization costs be expensed as incurred. Under its previous practice, the Group generally expensed such costs as incurred. The adoption of SOP 98-5 had no impact on the Group's results of operations and financial positions as adjusted to accord with US GAAP.

NOTE 45 -- BUSINESS AND GEOGRAPHICAL ANALYSIS

BP Amoco has three reportable operating segments -- Exploration and Production, Refining and Marketing and Chemicals. Exploration and Production's activities include oil and natural gas exploration and field development and production (upstream activities), together with pipeline transportation, natural gas processing and natural gas marketing (midstream activities). The activities of Refining and Marketing include oil supply and trading as well as refining and marketing (downstream activities). Chemicals activities include petrochemicals manufacturing and marketing.

The Group is managed on a unified basis. Reportable segments are differentiated by the activities that each undertakes and the products they manufacture and market.

The accounting policies of operating segments are the same as those described in Note 1, Accounting Policies. Performance is evaluated based on replacement cost operating profit or loss, which excludes exceptional items, inventory holding gains and losses, interest income and expense, taxation and minority shareholders' interests.

Sales between segments are made at prices that approximate market prices taking into account the volumes involved.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 45-- BUSINESS AND GEOGRAPHICAL ANALYSIS (CONTINUED)

BY BUSINESS

<TABLE>

<CAPTION>

2000-03 BP Annual Rpt (20F) for 1999.txt

Eliminations	Total	Exploration and Production	Refining and Marketing	Chemicals	other businesses and corporate(a)	
-----	-----	-----	-----	-----	-----	
(\$ million)						
1999						
<S>		<C>	<C>	<C>	<C>	<C>
<C>						
Group turnover--third parties...		13,949	60,369	9,050	198	
-- 83,566						
-- sales between						
businesses(b)...		7,700	2,524	342	--	
(10,566)	--					
-----	-----	-----	-----	-----	-----	
(10,566 83,566		21,649	62,893	9,392	198	
-----	-----	-----	-----	-----	-----	
Share of joint venture sales						
17,614						

101,180						

Equity accounted income (c)....		476	503	125	54	
1,158						
-----		-----	-----	-----	-----	
Total replacement cost operating						
profit (loss) (d).....		7,194	1,840	686	(826)	
8,894						
Exceptional items (e).....		(1,097)	(334)	(257)	(592)	
(2,280)						
Inventory holding gains (losses)		(1)	1,613	116	--	
1,728						
-----		-----	-----	-----	-----	
Historical cost profit (loss)						
before interest and tax.....		6,096	3,119	545	(1,418)	
8,342						
-----		-----	-----	-----	-----	
Total assets (f).....		46,649	27,248	13,021	2,643	
89,561						
Operating capital employed (g).		37,322	14,358	10,048	1,192	
62,920						
Depreciation and amounts						
provided (h).....		3,705	810	632	206	
5,353						
Capital expenditure and						
acquisitions (i)		4,212	1,634	1,215	284	
7,345						
1998						
Group turnover--third parties..		12,216	46,625	9,312	151	
-- 68,304						

--sales between businesses (b).		5,060	1,812	379	48
(7,299)	--				
		17,276	48,437	9,691	199
(7,299)	68,304				
Share of joint venture sales					
15,428					
83,732					
Equity accounted income (c)....		244	852	150	101
1,347					
Total replacement cost operating profit (loss) (d).....		3,231	2,564	1,100	(374)
6,521					
Exceptional items (e).....		396	394	43	17
850					
Inventory holding gains (losses)		(17)	(1,228)	(146)	--
(1,391)					
Historical cost profit (loss) before interest and tax.....		3,610	1,730	997	(357)
5,980					
Total assets (f).....		47,808	21,029	12,562	3,516
84,915					
Operating capital employed (g).		38,819	12,563	10,178	(579)
60,981					
Depreciation and amounts provided (h).....		4,272	790	497	115
5,674					
Capital expenditure and acquisitions (i).....		6,318	1,937	1,606	501
10,362					

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 45-- BUSINESS AND GEOGRAPHICAL ANALYSIS (CONTINUED)

<TABLE>

<CAPTION>

	Exploration and Production	Refining and Marketing	Other businesses and chemicals corporate(a)
Eliminations Total			

			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
1997					
Group turnover--third parties..	15,475	65,283	10,853	149	
-- 91,760					
--sales between businesses (b).	7,696	2,421	592	--	
(10,709)					
	23,171	67,704	11,445	149	
(10,709) 91,760					
Share of joint venture sales					
16,804					
108,564					
Equity accounted income (c)...	292	604	125	79	
1,100					
Total replacement cost operating profit (loss) (d).....	7,385	2,292	1,530	(524)	
10,683					
Exceptional items (e).....	587	(422)	(15)	(22)	
128					
Inventory holding gains (losses)	12	(849)	(102)	--	
(939)					
Historical cost profit (loss) before interest and tax.....	7,984	1,021	1,413	(546)	
9,872					
Total assets (f).....	46,024	24,055	12,141	4,059	
86,279					
Operating capital employed (g)	36,428	14,073	9,672	232	
60,405					
Depreciation (h).....	3,957	842	559	124	
5,482					
Capital expenditure and acquisitions	7,879	1,824	1,145	572	
11,420					

</TABLE>

BY GEOGRAPHICAL AREA

<TABLE>

<CAPTION>

	United Kingdom (j)	Rest of Europe	USA	Rest of World
Eliminations Total				

2000-03 BP Annual Rpt (20F) for 1999.txt

			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
1999					
Group turnover					
- -- third parties(k).....	25,817	5,332	37,405	15,012	
83,566					
- -- sales between areas.....	4,406	641	1,381	4,453	
(10,881) --					
	30,223(k)	5,973(k)	38,786	19,465	
(10,881) 83,566					
Share of joint venture sales..	3,988	16,114	155	342	
(2,985) 17,614					
101,180					
Equity accounted income (c)..	48	619	198	293	
1,158					
Total replacement cost					
operating profit (d).....	2,111	1,167	3,001	2,615	
8,894					
Exceptional items (e).....	(237)	(258)	(983)	(802)	
(2,280)					
Inventory holding gains (losses)	151	494	839	244	
1,728					
Historical cost profit before					
interest and tax.....	2,025	1,403	2,857	2,057	
8,342					
Total assets (f).....	22,867	8,865	38,223	19,606	
89,561					
Operating capital employed (g)	14,748	4,434	27,426	16,312	
62,920					
Capital expenditure and					
acquisitions (i).....	1,518	831	2,963	2,033	
7,345					

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 45-- BUSINESS AND GEOGRAPHICAL ANALYSIS (CONTINUED)

<TABLE>

<CAPTION>

United Rest of Rest of
Page 232

			(\$ million)		
<S>	<C>	<C>	<C>	<C>	<C>
1998					
Group turnover					
- -- third parties(k).....	19,662	5,123	31,945	11,574	
68,304					
- -- sales between areas.....	2,848	700	1,215	2,458	
(7,221)					
(7,221) 68,304	22,510(k)	5,823(k)	33,160	14,032	
Share of joint venture sales..	3,467	14,186	43	305	
(2,573) 15,428					
83,732					
Equity accounted income (c)..	135	904	125	183	
1,347					
Total replacement cost					
operating profit (d).....	1,931	1,249	2,631	710	
6,521					
Exceptional items (e).....	(39)	106	511	272	
850					
Inventory holding gains (losses)	(136)	(283)	(720)	(252)	
(1,391)					
Historical cost profit before					
interest and tax.....	1,756	1,072	2,422	730	
5,980					
Total assets (f).....	22,747	8,538	35,823	17,807	
84,915					
Operating capital employed (g)	14,188	5,053	26,629	15,111	
60,981					
Capital expenditure and					
acquisitions (i).....	2,463	1,248	3,720	2,931	
10,362					

<TABLE>					
<CAPTION>					
<S>	<C>	<C>	<C>	<C>	<C>
<C>					
1997					
Group turnover					
- -- third parties(k).....	27,473	7,943	40,322	16,022	
91,760					
- -- sales between areas.....	3,787	553	1,438	3,377	

2000-03 BP Annual Rpt (20F) for 1999.txt

(9,155)	--				
		31,260	8,496	41,760	19,399
(9,155)	91,760				
Share of joint venture sales..		4,584	15,414	41	71
(3,306)	16,804				
108,564					
Equity accounted income (c)..	26	758	84	232	
1,100					
Total replacement cost					
operating profit (d).....	2,767	1,332	4,360	2,224	
10,683					
Exceptional items (e).....	(133)	(205)	456	10	
128					
Inventory holding gains (losses)	(85)	(103)	(647)	(104)	
(939)					
Historical cost profit before					
interest and tax.....	2,549	1,024	4,169	2,130	
9,872					
Total assets (f).....	22,520	9,246	36,533	17,980	
86,279					
Operating capital employed (g)	12,853	4,821	26,456	16,275	
60,405					
Capital expenditure and					
acquisitions (i).....	2,413	1,243	3,315	4,449	
11,420					

- </TABLE>
- (a) Other businesses and corporate comprises Finance, BP Solarex, the Group's coal interest, interest income, and costs relating to corporate activities worldwide.
 - (b) Sales and transfers between businesses are made at market prices taking into account the volumes involved.
 - (c) Equity accounted income (loss) represents the Group's share of income (loss) before interest expense and taxes of joint ventures and associated undertakings.
 - (d) Total replacement cost operating profit (loss) is before inventory holding gains and losses and interest expense, which is attributable to the corporate function.

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<PAGE>

NOTE 45-- BUSINESS AND GEOGRAPHICAL ANALYSIS (CONCLUDED)

- (e) Exceptional items comprise profit (loss) on sale of businesses and sale of fixed assets of \$(337) million in 1999 (1998 \$1,048 million profit and 1997 \$440 million profit), restructuring costs in 1999 of \$1,943, merger expenses in 1998 of \$198 million refinery network rationalization costs in 1997 of \$47 million and European refining and marketing joint venture implementation costs in 1997 of \$265 million.
- (f) Total assets comprise fixed and current assets and include investments in joint ventures and associated undertakings analyzed between activities as follows:

<TABLE>
<CAPTION> .

[illegible]

</TABLE>

- (g) Operating capital employed comprises net assets before deducting finance debt and liabilities for current and deferred taxation.
- (h) Depreciation consists of charges for depreciation, depletion and amortization of property, plant and equipment, exploration expense and amounts provided against fixed asset investments.
- (i) Capital expenditure and acquisitions includes \$624 million in 1999 (1998 \$620 million and 1997 \$646 million) for the BP/Mobil joint venture.
- (j) United Kingdom area includes the UK-based international activities of Refining and Marketing.
- (k) Turnover to third parties is stated by origin which is not materially different from turnover by destination.

NOTE 46-- SUMMARIZED FINANCIAL INFORMATION ON ASSOCIATED UNDERTAKINGS AND JOINT VENTURES

A summarized statement of income and assets and liabilities based on latest information available, with respect to the Group's equity accounted associated undertakings and joint ventures, is set out below:

<TABLE>
<CAPTION>

Years ended

December 31,

1997(a)

1999

1998

(\$ million)

<S>

<C>

<C>

<C>

Sales and other operating revenue.....

41,180

42,801

45,330

Gross profit.....

7,715

7,484

7,641

Profit for the year.....

2,641

675

1,754

=====

=====

</TABLE>

<TABLE>

<CAPTION>

December

31,

1998

1999

million)

(\$

<S>

<C>

<C>

Fixed and other assets.....

17,398

25,534

Current assets.....

12,232

11,626

29,630

37,160

Current liabilities.....

(10,929)

(12,703)

Noncurrent liabilities.....

(5,876)

(7,604)

Net assets.....

12,825

16,853

=====

</TABLE>

2000-03 BP Annual Rpt (20F) for 1999.txt
BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 46-- SUMMARIZED FINANCIAL INFORMATION ON ASSOCIATED UNDERTAKINGS AND JOINT VENTURES (CONCLUDED)

(a) Excludes Sidanco and Rusia.

The more important associated undertakings and joint ventures of the Group at December 31, 1999 and the percentage of equity capital owned or joint venture interest are:

<TABLE>
<CAPTION>

	%	Country of operation	Principal activities
ASSOCIATED UNDERTAKINGS			
<S>	<C>	<C>	<C>
Abu Dhabi Marine Areas..... production	33	Abu Dhabi	Crude oil
Abu Dhabi Petroleum..... production	24	Abu Dhabi	Crude oil
Erdolchemie.....	50	Germany	Chemicals
Ruhrgas.....	25	Germany	Gas distribution
Sidanco (b)..... operations	10	Russia	Integrated oil
Rusia..... production	25	Russia	Exploration and
China American Petroleum Co.	50	Taiwan	Chemicals
JOINT VENTURES			
BP/Mobil..... marketing	70/49(c)	Europe	Refining and
Empresa Petrolera Chaco.... production	30	Bolivia	Exploration and
Pan American Energy..... production	60	Argentina	Exploration and
CaTo Finance Partnership...	50	UK	Finance
</TABLE>			

(b) 20% voting interest.
(c) Fuels/lubricants

NOTE 47 -- SUMMARIZED FINANCIAL INFORMATION ON CERTAIN US SUBSIDIARIES

BP AMERICA INC. (a)(b)

<TABLE>
<CAPTION>

December 31,	Years ended	
-----	1999	1998
1997	-----	-----
-----	(\$ million)	
<S>	<C>	<C>
<C>		
Sales and other operating revenue.....	15,727	12,502
16,789		

Gross profit (c).....	2,539	1,819
3,204		
Profit for the year	797	525
928		

=====	=====
-------	-------

</TABLE>

<TABLE>
<CAPTION>

31,	December
-----	----------

-----	1999
1998	

-----	(\$
million)	

<S>	<C>
<C>	
Fixed and other assets.....	13,790
13,789	
Current assets.....	5,278
3,002	

-----	-----
Total assets.....	19,068
16,791	

=====	=====
Current liabilities.....	6,283
5,172	
Noncurrent liabilities.....	6,199
5,822	
Shareholders' interest.....	6,586
5,797	

-----	-----
Total liabilities and shareholders' interest.....	19,068
16,791	

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 47-- SUMMARIZED FINANCIAL INFORMATION ON CERTAIN USSUBSIDIARIES (CONTINUED)

THE STANDARD OIL COMPANY (a)(b)

<TABLE>
<CAPTION>

December 31,	Years ended
--------------	-------------

-----	1999	1998
-------	------	------

1997

(\$ million)

<S>

<C>

<C>

<C>

Sales and other operating revenue.....

15,301

12,111

16,312

Gross profit (c).....

2,337

1,617

2,897

Profit for the year.....

1,057

655

1,008

=====

=====

</TABLE>

<TABLE>

<CAPTION>

December

31,

1999

1998

(\$

million)

<S>

<C>

<C>

Fixed and other assets.....

12,584

12,387

Current assets.....

6,664

4,547

Total assets.....

19,248

16,934

=====

Current liabilities.....

4,303

2,772

Noncurrent liabilities.....

5,363

5,630

Shareholders' interest.....

9,582

8,532

Total liabilities and shareholders' interest.....

19,248

16,934

=====

</TABLE>

BP PIPELINES (ALASKA) INC. (a)(b)

<TABLE>

<CAPTION>

Years ended

December 31,

	1999	1998
1997		
		(\$ million)
<S>	<C>	<C>
<C>		
Sales and other operating revenue.....	476	547
638		
Gross profit (c).....	193	239
242		
Profit for the year.....	113	140
123		
	=====	=====

</TABLE>

<TABLE>
<CAPTION>

31,

December

1998

1999

million)

(\$

<S>

<C>

<C>

Fixed and other assets.....

1,290

1,362

Current assets.....

853

803

Total assets.....

2,143

2,165

Current liabilities.....

128

152

Noncurrent liabilities.....

967

994

shareholders' interest.....

1,048

1,019

Total liabilities and shareholders' interest.....

2,143

2,165

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

NOTE 47-- SUMMARIZED FINANCIAL INFORMATION ON CERTAIN USSUBSIDIARIES (CONTINUED)
Page 240

BP EXPLORATION (ALASKA) INC. (a)(b)

<TABLE>

<CAPTION>

December 31,

	Years ended	
	1999	1998
1997		
		(\$ million)
<S>	<C>	<C>
<C>		
Sales and other operating revenue.....	8,645	5,666
9,228		
Gross profit (loss)(c).....	365	(65)
1,150		
Profit (loss)for the year.....	242	(60)
959		
	=====	=====

=====

</TABLE>

<TABLE>

<CAPTION>

31,

	December
	1999
1998	
	(\$
million)	
<S>	<C>
<C>	
Fixed and other assets.....	10,124
9,704	
Current assets.....	3,117
1,836	
Total assets.....	13,241
11,540	
	=====
Current liabilities.....	2,119
628	
Noncurrent liabilities.....	1,536
1,582	
Shareholders' interest.....	9,586
9,330	
Total liabilities and shareholders' interest.....	13,241
11,540	
	=====

=====

</TABLE>

- (a) BP America Inc. is a wholly-owned subsidiary of BP Amoco p.l.c.; The Standard Oil Company is a wholly-owned subsidiary of BP America Inc.; and BP Pipelines (Alaska) Inc. and BP Exploration (Alaska) Inc. are wholly-owned subsidiaries of The Standard Oil Company.
- (b) As a result of adopting FRS 12 (see Note 43), profit for the year ended December 31, 1999 for BP America Inc., The Standard Oil Company, BP Pipelines (Alaska) Inc. and BP Exploration (Alaska) Inc. was increased by \$22 million, \$22 million \$8 million and \$11 million respectively. In addition, the adoption of FRS 12 resulted in the restatement of certain prior year financial information as follows - (i) shareholders' interest at December 31, 1998 for BP America Inc., The Standard Oil Company, BP Pipelines (Alaska) Inc. and BP Exploration (Alaska) Inc. was increased by \$770 million, \$754 million, \$281 million and \$362 million, respectively; (ii) profit for the year ended December 31, 1998 for BP America Inc. The Standard Oil Company and BP Pipelines (Alaska) Inc. was decreased by \$37 million, \$35 million, and \$9 million respectively and loss for the year ended December 31, 1998 for BP Exploration (Alaska) Inc. was increased by \$7 million; (iii) profit for the year ended December 31, 1997 for BP America Inc., The Standard Oil Company, BP Pipelines (Alaska) Inc. was decreased by \$35 million, \$35 million, \$7 million and \$4 million respectively.
- (c) Gross profit (loss) equals sales and other operating revenue less associated costs, which exclude distribution and administration expenses and exploration expense.
- (d) During 1997, as part of a restructuring of ownership interests among certain wholly owned subsidiaries of BP America Inc., the obligation for certain employee benefits provided in the financial statements of BP Exploration (Alaska) Inc. was transferred to The Standard Oil Company. As a result of this transfer, profit for 1997 for BP Exploration (Alaska) Inc. includes a credit of \$223 million.

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BP AMOCO p.l.c. AND SUBSIDIARIES
NOTES TO FINANCIAL STATEMENTS (CONCLUDED)

NOTE 47-- SUMMARIZED FINANCIAL INFORMATION ON CERTAIN USSUBSIDIARIES (CONCLUDED)

- (e) In August 1998, The Standard Oil Company completed the sale of its Lima, Ohio, refinery and related terminal facilities. The after-tax gain resulting from this sale amounts to \$255 million, which includes the write-back of certain provisions no longer required.
- (f) During 1998, certain tax liabilities provided in the financial statements of BP America Inc. were transferred to The Standard Oil Company, BP Pipelines (Alaska) Inc. and BP Exploration (Alaska) Inc. As a result of this transfer profit (loss) for 1998 for The Standard Oil Company, BP Pipelines (Alaska) Inc. and BP Exploration (Alaska) Inc. includes a tax charge of \$80 million, \$22 million and \$28 million, respectively.
- (g) Profit for the year ended December 31, 1999 for BP America Inc., The Standard Oil Company and BP Exploration (Alaska) Inc. includes a pretax charge of \$100 million relating to the write-down of the investment in the Badami oilfield.
- (h) Profit for the year ended December 31, 1999 for BP America Inc., The Standard Oil Company and BP Exploration (Alaska) Inc. includes pre-tax

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2000-03 BP Annual Rpt (20F) for 1999.txt
restructuring charges of \$222 million, \$153 million and \$49 million
respectively

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BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION
(UNAUDITED)

The following tables show estimates of the Group's net proved reserves of
crude oil and natural gas at December 31, 1999, 1998 and 1997.

ESTIMATED NET PROVED RESERVES OF CRUDE OIL (a)

<TABLE>
<CAPTION>

Total	United Kingdom	Rest of Europe	USA	Rest of world
-----	-----	-----	-----	-----
	(millions of barrels)			
1999	<C>	<C>	<C>	<C>
<S>				
<C>				
SUBSIDIARY UNDERTAKINGS				
At January 1				
Developed.....	1,258	220	2,982	858
5,318				
Undeveloped.....	270	51	979	686
1,986				
-----	-----	-----	-----	-----
7,304	1,528	271	3,961	1,544
=====	=====	=====	=====	=====
Changes in year attributable to:				
Revisions of previous estimates.....	(10)	12	11	1
14				
Purchases of reserves-in-place.....	6	--	4	--
10				
Extensions, discoveries and other additions	1	24	100	44
169				
Improved recovery.....	28	14	87	83
212				
Production.....	(212)	(36)	(275)	(149)
(672)				
Sales of reserves-in-place.....	--	--	(33)	(476)
(509)				
Transfers from associated undertakings	--	--	7(d)	--
7				
-----	-----	-----	-----	-----
(769)	(187)	14	(99)	(497)
=====	=====	=====	=====	=====
At December 31				
Developed.....	1,158	190	2,930	550
4,828				

Undeveloped.....	183	95	932	497
1,707				
	1,341	285	3,862(b)(c)	1,047
6,535				
=====				
</TABLE>				
<TABLE>				
<CAPTION>				
ASSOCIATED UNDERTAKINGS				
BP Amoco share				
<S>				
<C>				
At January 1.....				
1,128				
Net revisions and other additions.....				
(21)				
Purchases of reserves-in-place.....				
--				
Production.....				
(63)				
Transfers to subsidiary undertakings.....				
(7)(d)				

At December 31.....				
1,037				
=====				
TOTAL GROUP AND BP AMOCO SHARE OF ASSOCIATED UNDERTAKINGS.....				
7,572				
=====				
</TABLE>				

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
(UNAUDITED)

ESTIMATED NET PROVED RESERVES OF CRUDE OIL (a) (CONTINUED)

<TABLE>

<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total				

(millions of barrels)				
1998				
<S>	<C>	<C>	<C>	<C>
<C>				
SUBSIDIARY UNDERTAKINGS				
At January 1				
Developed.....	779	241	3,039	916
4,975				
Undeveloped.....	744	46	1,210	637
2,637				

2000-03 BP Annual Rpt (20F) for 1999.txt

7,612	1,523	287	4,249	1,553
=====	=====	=====	=====	=====
Changes in year attributable to:				
Revisions of previous estimates.....	106	17	(90)	(76)
(43)				
Purchases of reserves-in-place.....	3	--	10	1
14				
Extensions, discoveries and				
other additions.....	38	4	57	222
321				
Improved recovery.....	80	1	69	32
182				
Production.....	(189)	(38)	(283)	(141)
(651)				
Sales of reserves-in-place.....	(33)	--	(51)	(47)
(131)				
-----	-----	-----	-----	-----
(308)	5	(16)	(288)	(9)
=====	=====	=====	=====	=====
At December 31				
Developed.....	1,258	220	2,982	858
5,318				
Undeveloped.....	270	51	979	686
1,986				
-----	-----	-----	-----	-----
7,304	1,528	271	3,961(b)(c)	1,544
=====	=====	=====	=====	=====

=====

<TABLE>

<CAPTION>

ASSOCIATED UNDERTAKINGS

BP Amoco share

<S>

<C>

At January 1.....

1,110

Purchases of reserves-in-place.....

90

Production.....

(72)

At December 31.....

1,128

=====

TOTAL GROUP AND BP AMOCO SHARE OF ASSOCIATED UNDERTAKINGS.....

8,432

=====

</TABLE>

BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
(UNAUDITED)

<CAPTION>

Page 246

=====
</TABLE>

<TABLE>
<CAPTION>
ASSOCIATED UNDERTAKINGS
BP Amoco share
<S>

<C>
At January 1.....
984
Net revisions and other changes.....
(23)
Purchases of reserves-in-place.....
194
Production.....
(45)

At December 31.....
1,110(e)

=====
TOTAL GROUP AND BP AMOCO SHARE OF ASSOCIATED UNDERTAKINGS.....
8,722

=====
</TABLE>

-
- (a) Crude oil includes natural gas liquids and condensate. Net proved reserves of crude oil exclude production royalties due to others.
 - (b) Proved reserves in the Prudhoe Bay field in Alaska include an estimated 94 million barrels (nil barrels at December 31, 1998 and 65 million barrels at December 31, 1997) upon which a net profits royalty will be payable over the life of the field under the terms of the BP Prudhoe Bay Royalty Trust.
 - (c) Minority interest in Altura Energy included 309 million barrels of crude oil (280 million barrels at December 31, 1998 and 334 million barrels at December 31, 1997).

ASSOCIATED UNDERTAKINGS

- (d) Transfer from associated to subsidiary undertakings comprise reserves in Crescendo Resources after the acquisition of the majority interest from Repsol YPF.
- (e) Excludes reserves in Sidanco and Rusia.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
(UNAUDITED)

ESTIMATED NET PROVED RESERVES OF NATURAL GAS (a)

<TABLE>
<CAPTION>

	United	Rest of	Rest of
Page 247			

549
 Purchases of reserves-in-place.....
 378
 Production.....
 (97)
 Transfers to subsidiary undertakings.....
 (872)(d)

 At December 31.....
 1,724

=====
 TOTAL GROUP AND BP AMOCO SHARE OF ASSOCIATED UNDERTAKINGS.....
 35,526

=====
 </TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
 SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
 (UNAUDITED)

ESTIMATED NET PROVED RESERVES OF NATURAL GAS (a) (CONTINUED)

<TABLE>
 <CAPTION>

Total	United Kingdom	Rest of Europe	USA	Rest of world
	-----	-----	-----	-----
	(billions of cubic feet)			
1998				
<S>	<C>	<C>	<C>	<C>
<C>				
At January 1				
Developed.....	3,161	372	10,284	5,612
19,429				
Undeveloped.....	1,868	50	1,819	7,208
10,945				
	-----	-----	-----	-----
	5,029	422	12,103	12,820
30,374	=====	=====	=====	=====
Changes in year attributable to:				
Revisions of previous estimates.....	(16)	--	161	(148)
(3)				
Purchases of reserves-in-place.....	--	--	104	37
141				
Extensions, discoveries and				
other additions.....	129	11	176	4,439
4,755				
Improved recovery.....	25	--	277	47
349				
Production.....	(460)	(71)	(897)(b)	(665)
(2,093)				
Sales of reserves-in-place.....	(64)	--	(629)	(1,829)

Page 249

(2,522)

	(386)	(60)	(808)	1,881
627				
At December 31				
Developed.....	3,536	324	9,637	6,054
19,551				
Undeveloped.....	1,107	38	1,658	8,647
11,450				
	4,643	362	11,295 (c)	14,701
31,001				

</TABLE>

<TABLE>

<CAPTION>

ASSOCIATED UNDERTAKINGS

BP Amoco share

<S>

<C>

At January 1.....

Net revisions and other changes.....

Purchases of reserves-in-place.....

Production.....

(81)

At December 31.....

1,766

TOTAL GROUP AND BP AMOCO SHARE OF ASSOCIATED UNDERTAKINGS.....

32,767

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
(UNAUDITED)

ESTIMATED NET PROVED RESERVES OF NATURAL GAS (a) (CONCLUDED)

<TABLE>

<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total				

(billions of cubic feet)

2000-03 BP Annual Rpt (20F) for 1999.txt

1997

<S>

<C>

<C>

<C>

<C>

<C>

At January 1

Developed..... 3,085 402 11,722 5,508

20,717

Undeveloped..... 2,204 76 1,617 5,735

9,632

30,349

=====

Changes in year attributable to:

Revisions of previous estimates..... 94 -- (227) 992

859

Purchases of reserves-in-place..... 196 13 283 1,007

1,499

Extensions, discoveries and

2,667

other additions..... 122 289 1,035 1,221

Improved recovery..... 10 1 99 200

310

Production..... (519) (70) (950)(b) (629)

(2,168)

Sales of reserves-in-place..... (163) (289) (1,476) (1,214)

(3,142)

25

=====

At December 31

Developed..... 3,161 372 10,284 5,612

19,429

Undeveloped..... 1,868 50 1,819 7,208

10,945

30,374

=====

</TABLE>

<TABLE>

<CAPTION>

ASSOCIATED UNDERTAKINGS

BP Amoco share

<S>

<C>

At January 1.....

--

Net revisions and other changes.....

54

Purchases of reserves-in-place.....

1,723

Production.....

(29)

At December 31.....
1,748

=====
TOTAL GROUP AND BP AMOCO SHARE OF ASSOCIATED UNDERTAKINGS.....
32,122

=====
</TABLE>

-
- (a) Net proved reserves of natural gas exclude production royalties due to others.
 - (b) Includes 77 billion cubic feet of natural gas consumed in Alaskan operations (1998, 79 billion cubic feet and 1997, 81 billion cubic feet).
 - (c) Minority interest in Altura Energy included 155 billion cubic feet of natural gas (117 billion cubic feet at December 31, 1998 and 161 billion cubic feet at December 31, 1997).

ASSOCIATED UNDERTAKINGS

- (d) Transfers from associated to subsidiary undertakings comprise reserves in Crescendo Resources after the acquisition of the majority interest from Repsol YPF.
- (e) Excludes reserves in Sidanco and Rusia.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED) (UNAUDITED)

STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS AND CHANGES THEREIN RELATING TO PROVED OIL AND GAS RESERVES

The following tables set out the standardized measures of discounted future net cash flows, and changes therein, relating to crude oil and natural gas production from the Group's estimated proved reserves. This information is prepared in compliance with the requirements of FASB Statement of Financial Accounting Standards No. 69 -- 'Disclosures about Oil and Gas Producing Activities'.

Future net cash flows have been prepared on the basis of certain assumptions which may or may not be realized. These include the timing of future production, the estimation of crude oil and natural gas reserves and the application of year end crude oil and natural gas prices and exchange rates. Furthermore, both reserve estimates and production forecasts are subject to revision as further technical information becomes available and economic conditions change. BP Amoco cautions against relying on the information presented because of the highly arbitrary nature of assumptions on which it is based and its lack of comparability with the historical cost information presented in the financial statements.

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total				

2000-03 BP Annual Rpt (20F) for 1999.txt

	(\$ million)			
<S>	<C>	<C>	<C>	<C>
<C>				
AT DECEMBER 31, 1999				
Future cash inflows (a).....	42,400	7,900	101,500	49,500
201,300				
Future production and development costs (b)	18,800	2,000	32,500	13,700
67,000				
Future taxation (c).....	5,900	4,200	23,300	15,800
49,200				
-----	-----	-----	-----	-----
Future net cash flows.....	17,700	1,700	45,700	20,000
85,100				
10% annual discount (d).....	4,700	400	23,200	8,400
36,700				
-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows.....	13,000	1,300	22,500	11,600
48,400				
=====	=====	=====	=====	=====
AT DECEMBER 31, 1998				
Future cash inflows (a).....	27,100	3,700	44,800	36,500
112,100				
Future production and development costs (b)	18,700	2,200	27,500	14,300
62,700				
Future taxation (c).....	2,000	800	3,100	9,900
15,800				
-----	-----	-----	-----	-----
Future net cash flows.....	6,400	700	14,200	12,300
33,600				
10% annual discount (d).....	1,300	100	7,000	6,600
15,000				
-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows.....	5,100	600	7,200	5,700
18,600				
=====	=====	=====	=====	=====
AT DECEMBER 31, 1997				
Future cash inflows (a).....	38,400	6,000	86,200	48,600
179,200				
Future production and development costs (b)	20,300	2,300	35,600	18,400
76,600				
Future taxation (c).....	4,700	2,300	15,500	12,600
35,100				
-----	-----	-----	-----	-----
Future net cash flows.....	13,400	1,400	35,100	17,600
67,500				
10% annual discount (d).....	4,300	400	19,100	8,700
32,500				
-----	-----	-----	-----	-----
Standardized measure of discounted future net cash flows.....	9,100	1,000	16,000	8,900
35,000				
=====	=====	=====	=====	=====

</TABLE>

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
(UNAUDITED)

STANDARDIZED MEASURE OF DISCOUNTED FUTURE NET CASH FLOWS AND CHANGES THEREIN
RELATING TO PROVED OIL AND GAS RESERVES (CONCLUDED)

The following are the principal sources of change in the standardized measure of discounted future net cash flows during the years ended December 31, 1999, 1998 and 1997:

<TABLE>

<CAPTION>

December 31, ----- 1997 -----	Years ended	
	1999	1998
	-----	-----
		(\$ million)
<S>	<C>	<C>
<C>		
Sales and transfers of oil and gas produced, net of production costs..... (10,400)	(12,600)	(6,500)
Development costs incurred during the year..... 5,100	2,900	4,700
Extensions, discoveries and improved recovery, less related costs..... 4,000	6,200	3,200
Net changes in prices and production costs (e)..... (34,300)	47,900	(30,900)
Revisions of previous reserve estimates..... 1,000	2,600	--
Net change in taxation..... 14,000	(18,000)	10,800
Future development costs..... (3,000)	(200)	(1,000)
Net change in purchase and sales of reserves-in-place... (1,000)	(900)	(200)
Addition of 10% annual discount..... 5,400	1,900	3,500
Other (500)	--	--
-----	-----	-----
Total change in the standardized measure during the year (19,700)	29,800	(16,400)
	=====	=====

</TABLE>

(a) Future cash inflows are computed by applying year-end oil and natural gas prices and exchange rates to future annual production levels estimated by

2000-03 BP Annual Rpt (20F) for 1999.txt
the Group's petroleum engineers.

- (b) Production costs (which include petroleum revenue tax in the UK) and development costs relating to future production of proved reserves are based on year-end cost levels and assume continuation of existing economic conditions. Future decommissioning costs are included.
- (c) Taxation is computed using appropriate year-end income tax rates.
- (d) Future net cash flows from oil and natural gas production are discounted at 10% regardless of the Group assessment of the risk associated with its producing activities.
- (e) Net changes in prices and production costs includes the effect of exchange movements.

ASSOCIATED UNDERTAKINGS

In addition, at December 31, 1999 the Group's share of the standardized measure of discounted future net cash flows of associated undertakings amounted to \$2,420 million (\$715 million at December 31, 1998 and \$830 million at December 31, 1997).

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BP AMOCO p.l.c. AND SUBSIDIARIES SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED) (UNAUDITED)

OPERATIONAL AND STATISTICAL INFORMATION

The following tables present operational and statistical information related to production, drilling, productive wells and acreage.

PRODUCED FROM OWN RESERVES

The following table shows crude oil and natural gas production from the Group's own reserves for the years indicated:

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of World
Total(d)	-----	-----	-----	-----
day)				
<S>	<C>	<C>	<C>	<C>
<C>				
PRODUCTION FOR THE YEAR (A)				
Crude oil (b)				
1999.....	580	100	804	577
2,061				
1998.....	518	105	841	585
2,049				
1997.....	437	115	869	509
1,930				

</TABLE>

<TABLE>
<CAPTION>

United Rest of Rest of
Page 255

Total(e)

	(million cubic feet per			
day)				
<S>	<C>	<C>	<C>	<C>
<C>				
Natural gas (c)				
1999.....	1,301	164	2,369	2,233
6,067				
1998.....	1,258	200	2,401	1,949
5,808				
1997.....	1,423	195	2,513	1,727
5,858				
</TABLE>				

- (a) All volumes are net of royalty.
- (b) Crude oil includes natural gas liquid and condensate.
- (c) Natural gas production excludes gas consumed in operations.
- (d) Includes amounts produced for the Group by associated undertakings of 170,000 b/d in 1999 (1998, 208,000b/d and 1997, 172,000 b/d).
- (e) Includes amounts produced for the Group by associated undertakings of 264 mmcf/d in 1999 (1998, 221 mmcf/d and 1997, 113 mmcf/d).

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BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONTINUED)
(UNAUDITED)

OPERATIONAL AND STATISTICAL INFORMATION (CONTINUED)

PRODUCTIVE OIL AND GAS WELLS AND ACREAGE

The following tables show the number of gross and net productive oil and natural gas wells and total gross and net developed and undeveloped oil and natural gas acreage in which the Group and its associated undertakings had interests as of December 31, 1999. A 'gross' well or acre is one in which a whole or fractional working interest is owned, while the number of 'net' wells or acres is the sum of the whole or fractional working interests in gross wells or acres. Productive wells are producing wells and wells capable of production. Developed acreage is the acreage within the boundary of a field, on which development wells have been drilled, which could produce the reserves; while undeveloped acres are those on which wells have not been drilled or completed to a point that would permit the production of commercial quantities, whether or not such acres contain proved reserves.

NUMBER OF PRODUCTIVE OIL AND GAS WELLS

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of world
Total				

2000-03 BP Annual Rpt (20F) for 1999.txt

<S>	<C>	<C>	<C>	<C>
<C>				
AT DECEMBER 31, 1999				
Oil wells (a) -- gross.....	467	75	14,243	11,821
26,606				
-- net.....	219.0	28.0	8,687.2	2,971.2
11,905.4				
Gas wells (b) -- gross.....	418	33	14,437	2,131
17,019				
-- net.....	189.0	11.4	8,980.7	1,214.5
10,395.6				
</TABLE>				

- (a) Includes approximately 875 gross (231.5 net) multiple completion wells (more than one formation producing into the same well bore).
- (b) Includes 1,164 gross (692.7 net) multiple completion wells.
- (c) If one of the multiple completions in a well is an oil completion, the well is classified as an oil well.

OIL AND NATURAL GAS ACREAGE

	United Kingdom	Rest of Europe	USA	Rest of world
Total				
			(thousands of acres)	
<S>	<C>	<C>	<C>	<C>
<C>				
AT DECEMBER 31, 1999				
Developed				
--gross.....	627	75	12,288	7,290
20,280				
--net.....	304	24	5,303	2,010
7,641				
Undeveloped (a)				
--gross.....	5,234	3,391	7,665	109,205
125,495				
--net.....	2,416	1,064	4,078	47,401
54,959				

- (a) Undeveloped acreage includes leases and concessions.

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<PAGE>

BP AMOCO p.l.c. AND SUBSIDIARIES
SUPPLEMENTARY OIL AND GAS INFORMATION (CONCLUDED)
(UNAUDITED)

NET OIL AND GAS WELLS COMPLETED OR ABANDONED

The following table shows the number of net productive and dry exploratory

and development oil and natural gas wells completed or abandoned in the years indicated by the Group and its associated undertakings. Productive wells include wells in which hydrocarbons were encountered and the drilling or completion of which, in the case of exploratory wells, has been suspended pending further drilling or evaluation. A dry well is one found to be incapable of producing hydrocarbons in sufficient quantities to justify completion.

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of World
Total				
<S>	<C>	<C>	<C>	<C>
<C>				
1999				
Exploratory				
--productive.....	0.5	0.5	3.7	10.1
14.8				
--dry.....	1.1	0.9	1.4	6.6
10.0				
Development				
--productive.....	27.3	1.3	274.4	160.6
463.6				
--dry.....	1.7	0.3	10.5	15.4
27.9				
1998				
Exploratory				
--productive.....	2.3	3.6	18.9	32.1
56.9				
--dry.....	2.1	2.1	12.1	22.4
38.7				
Development				
--productive.....	32.2	1.4	424.4	261.5
719.5				
--dry.....	1.1	--	16.7	30.6
48.4				
1997				
Exploratory				
--productive.....	2.8	2.5	27.2	42.4
74.9				
--dry.....	5.4	11.5	15.0	13.4
45.3				
Development				
--productive.....	32.5	4.7	258.8	282.1
578.1				
--dry.....	1.2	--	14.7	23.2
39.1				

</TABLE>

DRILLING AND PRODUCTION ACTIVITIES IN PROGRESS

The following table shows the number of exploratory and development oil and natural gas wells in the process of being drilled by the Group and its associated undertakings as of December 31, 1999. Suspended development wells and long-term suspended exploratory wells are also included in the table.

<TABLE>
<CAPTION>

	United Kingdom	Rest of Europe	USA	Rest of World
Total				

<S>	<C>	<C>	<C>	<C>
<C>				
AT DECEMBER 31, 1999				
Exploratory				
--gross.....	1	--	28	40
69				
--net.....	0.5	--	17.3	13.7
31.5				
Development				
--gross.....	17	4	121	68
210				
--net.....	8.3	1.4	70.5	33.8
114.0				
</TABLE>				

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<PAGE>

SCHEDULE II

BP AMOCO p.l.c. AND SUBSIDIARIES
VALUATION AND QUALIFYING ACCOUNTS

<TABLE>
<CAPTION>

		Additions		
		Charged to costs and expenses	Charged to other	Transfers/
Balance	Balance at January 1,			
accounts(a)	DeductionsDecember 31,			
			(\$ million)	
<S>	<C>	<C>	<C>	<C>
1999				
Fixed assets-- Investments (b)	230	83	(2)	(2)
309				
Doubtful debts (b).....	126	12	(13)	(8)
117				
Decommissioning provisions....	3,310	80	(472)	(133)
2,785				
1998				
Fixed assets-- Investments (b)	25	200	--	5
230				
Doubtful debts (b).....	130	35	(22)	(17)
126				
Decommissioning provisions....	3,201	130	10	(31)
3,310				

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1997				
Fixed assets-- Investments (b)	34	--	(1)	(8)
25				
Doubtful debts (b).....	159	45	(6)	(68)
130				
Decommissioning provisions....	3,153	162	(29)	(85)
3,201				

</TABLE>

(a) Principally currency translations, apart from 1999 for decommissioning provisions which includes the impact of adopting FRS12.

(b) Deducted in the balance sheet from the assets to which they apply.

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<TYPE>EX-1

<SEQUENCE>2

<DESCRIPTION>COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES

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<PAGE>

EXHIBIT 1

BP AMOCO p.l.c. AND SUBSIDIARIES
COMPUTATION OF RATIO OF EARNINGS TO FIXED CHARGES
(UNAUDITED)

<TABLE>

<CAPTION>

Year

ended

December 31,

1999

(\$

million)

<S>

<C>

Profit before taxation.....
7,026

BP Amoco's share of income in excess of dividends from joint
ventures and associated undertakings.....
(335)

Capitalized interest.....

(43)

 Profit as adjusted.....
 6,648

=====
 Fixed charges
 Interest net of intest expense of joint ventures and associated
 undertakings.....
 1,005
 Rental expense representative of interest.....
 379
 Capitalized interest.....
 43

 1,427

=====
 Total adjusted earnings available for payment of fixed charges.....
 8,075

=====
 Ratio of earnings to fixed charges.....
 5.66

=====
 Total adjusted earnings available for payment of fixed charges,
 after taking account of adjustments to profit before taxation to
 accord with US GAAP.....
 8,041

=====
 Ratio of earnings to fixed charges with adjustments to accord
 with US GAAP.....
 5.63

=====
 </TABLE>

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 <TYPE>EX-2
 <SEQUENCE>3
 <DESCRIPTION>MEMORANDUM AND ARTICLES OF ASSOCIATION
 <TEXT>

<PAGE>
 Transcript of certificate

CERTIFICATE OF INCORPORATION
 ON CHANGE OF NAME
 Company No. 102498

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2000-03 BP Annual Rpt (20F) for 1999.txt
The Registrar of Companies for England and Wales hereby certifies that THE
BRITISH PETROLEUM COMPANY P.L.C.

having by special resolution changed its name, is now incorporated
under the name of

BP AMOCO P.L.C.

Given at Companies House, Cardiff, the 31st December 1998

There follows the image of THE OFFICIAL SEAL OF THE REGISTRAR OF COMPANIES

1

<PAGE>

Transcript of certificate

CERTIFICATE OF INCORPORATION
ON RE-REGISTRATION AS A PUBLIC COMPANY
No. 102498

I hereby certify that

THE BRITISH PETROLEUM COMPANY p.l.c.

has this day been re-registered under the Companies Acts 1948 to 1980 as a
public company, and that the company is limited.

Dated at Cardiff the 4TH JANUARY 1982

There follows a signature and the words Assistant Registrar of Companies

2

<PAGE>

Transcript of certificate

No.102498

Change of Name Certificate pursuant to Section 18(3) of the Companies Act, 1948.

I Hereby Certify that

ANGLO-IRANIAN OIL COMPANY, LIMITED

having, with the sanction of a Special Resolution of the said Company and
with the approval of the BOARD OF TRADE, changed its name, is now
called

THE BRITISH PETROLEUM COMPANY LIMITED

and I have entered such new name on the Register accordingly.

Given under my hand at London, this seventeenth day of December
One thousand nine hundred and fifty four.

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There follows a signature and the words Registrar of Companies

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Transcript of certificate

No.102498
Certificate of Change of Name.

I hereby Certify That

ANGLO-PERSIAN OIL COMPANY, LIMITED

having, with the sanction of a Special Resolution of the said Company and with the approval of the BOARD OF TRADE, changed its name, is now called

ANGLO-IRANIAN OIL COMPANY, LIMITED

and I have entered such new name on the Register accordingly. Given under my hand at London, this twenty-eighth day of June One Thousand Nine Hundred and thirty-five.

There follows a signature and the words For Registrar of Companies.

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Transcript of certificate

NO.102498
Certificate of Incorporation

I Hereby Certify That the

Anglo-Persian Oil Company, Limited

is this day Incorporated under the Companies (Consolidation) Act, 1908, and that the Company is Limited.

Given under my hand at London this Fourteenth day of April One Thousand Nine Hundred and nine.

Fees and Deed Stamps L51.15.0

Stamp Duty on Capital L5000.0.0

There follows a signature and the words Registrar of Joint Stock Companies.

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
BP Amoco p.l.c.

October 1999

Memorandum
and Articles
of Association

[Logo]

The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
BP Amoco p.l.c.

Special Resolutions

Passed 1st September, 1999

At the Extraordinary General Meeting of BP AMOCO p.l.c. held on 1st September, 1999, the following resolutions were passed as Special Resolutions:-

THAT conditional upon and with effect from the Merger Agreement becoming unconditional and not having been terminated in accordance with its terms, for the period ending on the date of the Annual General Meeting in 2000 or 14 July 2000, whichever is the earlier, the Directors be and are hereby authorised and empowered pursuant to Article 11(B) of the Articles of Association, to allot equity securities wholly for cash:

(i) in connection with a rights issue; and

(ii) otherwise than in connection with a rights issue up to an aggregate nominal amount of \$280,000,000 (the Section 89 amount),

this authority to be in substitution to that granted to the Directors at the Annual General Meeting of the Company held on 15 April 1999;

THAT the Articles of Association of the Company be and are hereby amended as set out in Schedules A and B to this Notice of Extraordinary General Meeting, such amendments to take effect from the dates set out in such schedules.

G.E. Young
Assistant Secretary

Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
BP Amoco p.l.c.

Special Resolution

Passed 15th April, 1999

At the Annual General Meeting of BP AMOCO p.l.c. held on 15th April, 1999 the following resolution was passed as a Special Resolution:-

On the motion of the Chairman it was Resolved as a Special Resolution to renew, for the period ending on the date of the Annual General Meeting in 2000 or 14 July 2000, whichever is the earlier, the authority and power conferred on the directors by article 11(B)(ii) of the company's articles of association to allot equity securities wholly for cash in connection with a rights issue or otherwise than in connection with a rights issue up to an aggregate nominal amount of US\$242 million.

G.E. Young
Assistant Secretary

Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolutions

Passed 25th November, 1998

At the EXTRAORDINARY GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 25th November, 1998 the following resolutions were passed as SPECIAL RESOLUTIONS:-

That:-

1.1 the merger (the "Merger") with Amoco Corporation ("Amoco") on the basis described in the circular to shareholders from the Company dated 30 October 1998 (a copy of which, signed by the Chairman for the purposes of identification, was produced to the Meeting) and on the terms and subject to the conditions of the Agreement and Plan of Merger dated 11 August 1998 (as amended) between (1) the Company, (2) Amoco and (3) Eagle Holdings Inc., a copy of which, signed by the Chairman for the purposes of identification, was produced to the Meeting (the "Merger Agreement") be and is hereby approved and that the Directors be and are hereby authorised to take all necessary steps to implement the same, subject to such non-material modifications amendments waivers, variations or extensions of such terms and conditions as they think fit;

1.2 conditional upon and with effect from the Merger Agreement becoming unconditional (save as regards the condition relating to the admission of the shares in the Company to be issued as consideration pursuant to the Merger to the Official List of the London Stock Exchange becoming effective) and not having been terminated in accordance with its terms:

(a) if the Directors shall certify in writing to the Company that there is no reasonable probability of Resolution 11 taking effect in accordance with its terms:

(i) the authorised share capital of the Company be increased from [sterling] 2,000,000,000 to [sterling] 3,000,000,000 by the creation of an additional 4,000,000,000 new Ordinary Shares of 25p each;

(ii) for the period ending on the date of the Annual General Meeting in 1999 or 15 July 1999, whichever is the earlier, the Directors be and are hereby authorised and empowered pursuant to Article 11(B) of the Articles of Association:

- (a) to allot relevant securities up to an aggregate nominal amount of [sterling] 1,515,000,000 (the Section 80 amount), and
- (b) to allot equity securities wholly for cash:
 - (i) in connection with a rights issue; and
 - (ii) otherwise than in connection with a rights issue up to an aggregate nominal amount of [sterling] 122,000,000 (the Section 89 amount), this authority to be in substitution for that granted to the Directors at the Annual General Meeting of the Company held on 16 April 1998;
- (b) the Articles of Association of the Company be and are hereby amended as set out in Schedule A to this Notice of Extraordinary General Meeting; and
- (c) the name of the Company be changed to "BP Amoco p.l.c.".

THAT, conditional upon the passing as an extraordinary resolution at a separate meeting of the holders of the Ordinary Shares in the capital of the Company (or any adjournment thereof) of the resolution set out in the notice dated 30 October 1998 convening such meeting and upon and with effect from the Merger Agreement becoming unconditional in all respects (save as regards the condition relating to the admission of the shares in the Company to be issued as consideration pursuant to the Merger to the Official List of the London Stock Exchange becoming effective) and not having been terminated in accordance with its terms:

11.1 the ordinary share capital of the Company be reduced by cancelling and extinguishing all the Ordinary Shares of 25p each in the capital of the Company ("Sterling Shares"), whether issued or authorised but unissued, and the reserve arising as a result of such cancellation be credited to a special reserve account of the Company (the "Ordinary Share Reserve");

11.2 subject to and forthwith upon such reduction of capital taking effect:

- (a) the authorised share capital of the Company be increased to [sterling]12,750,000 and \$6,000,000,000 by the creation of 12,000,000,000 new Ordinary Shares of \$0.50 each;
- (b) the Ordinary Share Reserve be converted into US dollars at such spot rate of exchange for the purchase of US dollars with pounds sterling at or around 4.00 pm (London time) on the Record Date as may be selected by the Directors of the Company ("the Selected Rate");
- (c) The sum standing in the books of the Company as a result of such conversion ("the US Dollar Reserve") be applied in paying up Dollar Shares in full at par in accordance with paragraph 11.2(e) of this Resolution 11, provided that, if there would otherwise be any amount remaining in the US Dollar Reserve once as many as possible Dollar Shares have been paid up in full at par, one of such Dollar Shares be paid up at a premium equal to such amount;

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- (d) there be converted into US dollars at the Selected Rate and capitalised in accordance with paragraph 11.2(e) of this Resolution 11 such part of the share premium account of the Company ("the US Dollar Share Premium") as is necessary to pay up in full at par such number of Dollar Shares so that when it is added to the number of Dollar Shares to be paid up by application of the US Dollar Reserve, the aggregate number of Dollar Shares to be paid up pursuant to this Resolution 11 is equal to the Requisite Number;

- (e) each of the US Dollar Reserve and the US Dollar Share Premium be separately applied so as to pay up in aggregate the Requisite Number of Dollar Shares, such shares to be allotted and issued credited as fully paid to the holders of Sterling Shares in the register of members of the Company at the close of business on the Record Date on the basis of one Dollar Share for each Sterling Share then held;
- (f) as an exception to Article 17, unless the Directors decide otherwise, no new share certificates be completed and delivered in respect of the Dollar Shares to be issued pursuant to paragraph 11.2(e) of this Resolution 11; and
- (g) for the period ending on the date of the Annual General Meeting in 1999 or 15 July 1999, whichever is the earlier, the Directors be and are hereby authorised and empowered pursuant to Article 11(B) of the Articles of Association:
 - (i) to allot relevant securities up to an aggregate nominal amount of \$6,000,000,000 (the Section 80 amount), and
 - (ii) to allot equity securities wholly for cash:
 - (a) in connection with a rights issue; and
 - (b) otherwise than in connection with a rights issue up to an aggregate nominal amount of \$244,000,000 (the Section 89 amount),

this authority to be in substitution for that granted to the Directors at the Annual General Meeting of the Company held on 16 April 1998;

11.3 for the purposes of this Resolution:

- (a) "Dollar Shares" means ordinary shares of \$0.50 each in the capital of the Company;
- (b) "Requisite Number" means the number of Sterling Shares in issue at the close of business on the Record Date; and
- (c) "Record Date" means the business day immediately prior to the date on which the reduction of capital proposed to be effected by this Resolution 11 becomes effective; and

11.4 the Articles of Association of the Company be and are hereby amended as set out in Schedule B to this Notice of Extraordinary General Meeting.

THAT conditional upon and with effect from the Merger Agreement becoming unconditional in all respects and not having been terminated in accordance with its terms:

12.1 in accordance with Article 75 of the Company's Articles of Association, the remuneration of the Directors shall be such sum as the Directors shall decide not exceeding in aggregate [sterling] 1,500,00 per annum; and

12.2 the Articles of Association of the Company be and are hereby amended as set out in Schedule C to this Notice of Extraordinary General Meeting.

THAT the Articles of Association of the Company be and are hereby amended as set out in Schedule D to this Notice of Extraordinary General Meeting.

G.E. Young
Assistant Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolutions

Passed 16th April 1998

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 16th April, 1998 the following resolutions were passed as SPECIAL RESOLUTIONS, namely:-

To renew, for the period ending on the date of the annual general meeting in 1999 or 15th July 1999, whichever is the earlier, the authority and power conferred on the directors by article 11(B)(ii) of the company's articles of association to allot equity securities wholly for cash in connection with a rights issue or otherwise than in connection with a rights issue up to an aggregate nominal amount of [sterling] 72 million.

That the company be generally and unconditionally authorised to make market purchases (within the meaning of section 163(3) of the Companies Act 1985) of ordinary shares of 25 pence each in the company ("ordinary shares") provided that:

- (a) the maximum number of ordinary shares hereby authorised to be acquired is 288,129,180 representing 5% of the company's ordinary share capital in issue at 31 December 1997;
- (b) the minimum price which may be paid for the shares is 25 pence;
- (c) the maximum price which may be paid for the shares is an amount equal to 105 per cent. of the average of the middle market quotation for an ordinary share, as derived from the London Stock Exchange Daily Official List for the five business days before the purchase is made; and
- (d) the authority hereby conferred shall expire at the close of the next annual general meeting of the company or on 15 October 1999, whichever is the earlier.

G.E. Young
Deputy Assistant Secretary

Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 10th April 1997

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 10th April, 1997 the following resolution was passed as a SPECIAL RESOLUTION, namely:-

To renew, for the period ending on the date of the Annual General Meeting in 1998 or 9 July 1998, whichever is the earlier, the authority and power conferred on the Directors by Article 11(B) of the Articles of Association:

- (a) to allot relevant securities up to an aggregate nominal amount of

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[sterling] 470 million (the Section 80 amount), and

- (b) to allot equity securities wholly for cash:
 - (i) in connection with a rights issue, and
 - (ii) otherwise than in connection with a rights issue up to an aggregate nominal amount of [sterling] 70 million (the Section 89 amount).

G.E. Young
Deputy Assistant Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Directors' Resolution

Passed 2nd May 1996

At a meeting of the Directors of THE BRITISH PETROLEUM COMPANY p.l.c. held on 2nd May 1996 the following resolution was passed pursuant to Regulation 16(2) of the Uncertificated Securities Regulations 1996 ("the Regulations"):-

That:

- (a) title to the Ordinary Shares of 25p each, Cumulative First Preference Shares of [sterling]1 each and Cumulative Second Preference Shares of [sterling] 1 each in the capital of the Company (the "Shares"), in issue or to be issued, may be transferred by means of a relevant system (as defined in the Regulations);
- (b) such relevant system shall include the relevant system of which CRESTCO Limited is to be the Operator (as defined in the Regulations);
- (c) this Resolution shall become effective immediately prior to CRESTCO Limited granting permission for the Shares to be transferred by means of the CREST system.

It was noted that, upon this Resolution becoming effective and for as long as it is in force, the Articles of Association of the Company in relation to the Shares shall not apply to any uncertificated Shares to the extent that they are inconsistent with:

- (a) the holding of the Shares in uncertificated form;
- (b) the transfer of title to the Shares by means of a relevant system; and
- (c) any provision of the Regulations

It was further noted that, in accordance with Regulation 16(4), a notice to shareholders of the Board's intention to pass a resolution to permit title to the Shares to be settled by means of the CREST system was included in the Chairman's letter to the Notice of Annual General Meeting dated 13th March 1996.

The Secretary was instructed to file a copy of this resolution with the Registrar of Companies as required by Section 380 of the Companies Act 1985 (as amended by Regulation 40 (3)).

Gillian Young

Deputy Assistant Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498

The British Petroleum Company p.l.c.

Special Resolution

Passed 11th April 1996

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 11th April 1996 the following resolution was passed as a SPECIAL RESOLUTION, namely:-

To renew, for the period ending on the date of the Annual General Meeting in 1997 or 10th July 1997, whichever is the earlier, the authority and power conferred on the Directors by Article 11(B) of the Articles of Association and for such period:-

- (a) the Section 80 amount shall be [sterling] 464 million; and
- (b) the Section 89 amount shall be [sterling] 69 million.

Judith C. Hanratty
Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498

The British Petroleum Company p.l.c.

Special Resolution

Passed 13th April 1995

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 13th April 1995 the following resolution was passed as a SPECIAL RESOLUTION, namely:-

To renew, for the period ending on the date of the Annual General Meeting in 1996 or 12th July 1996, whichever is the earlier, the authority and power conferred on the Directors by Article 11(B) of the Articles of Association and for such period:-

- (a) the Section 80 amount shall be [sterling] 458 million; and
- (b) the Section 89 amount shall be [sterling] 68 million.

Judith C. Hanratty
Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498

The British Petroleum Company p.l.c.

Special Resolutions

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Passed 7th April 1994

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 7th April 1994 the following resolutions were passed as SPECIAL RESOLUTIONS, namely:-

To renew, for the period ending on the date of the Annual General Meeting in 1995 or 6th July 1995, whichever is the earlier, the authority and power conferred on the Directors by Article 11(B) of the Articles of Association and for such period:-

(a) the Section 80 amount shall be [sterling] 454 million; and

(b) the Section 89 amount shall be [sterling] 68 million.

The Article 11(C) of the Articles of Association of the Company be amended as set out in the Schedule to the Notice of Annual General Meeting; and

That if any plan is implemented pursuant to Article 11(C) as so amended, elections (pursuant to any plan previously implemented pursuant to Article 11(C) in force at such time to receive on a regular basis Ordinary Shares instead of cash dividends shall (unless revoked) operate and be treated by the Directors as valid elections for the purposes of such plan.

To amend the Articles of Association of the Company by:-

- (i) renumbering Article 47 as Article 47(A) and inserting immediately after such Article 47(A), the following as Article 47(B):-

"The provisions of these Articles of Association relating to General Meetings shall apply, with necessary modifications to any separate meeting of the holders of shares of a particular class which is convened otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.";

- (ii) amending Article 124(A) by inserting ", or to" after the words "payable to" and a comma after the words "the order of" in the second sentence; and

- (iii) amending Article 140 by deleting all the words after the words "duties, powers or office".

R.C. Grayson
Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

Schedule

Article 11(C) to be amended:-

(a) by the addition at the end of sub-paragraph

- (i) of the following:-

"where, in the case of any plan such as those contemplated in paragraphs (b) and (c) above, holders of Ordinary Shares are not entitled to payment of a cash dividend (otherwise than in respect of fractional entitlements), the plan may provide for them to receive allotments of Ordinary Shares credited as fully paid having a value of more than the net cash amount which would otherwise be due to them in respect of the relevant dividend but not exceeding a value equivalent to the sum of the net cash amount of the dividend together with the associated tax

credit (as defined in sub-paragraph (viii) below).";

- (b) by the insertion in sub-paragraph (ii) after "terminate" of the words "or modify in any manner not inconsistent with these Articles of Association or the sanctioning Resolution";
- (c) by the insertion in sub-paragraph (iv) after the word "allotment" in the second sentence of the words "(by reference to the aggregate net cash amount thereof or value equivalent to the sum of the aggregate net cash amount thereof together with the associated tax credit which it would have attracted if paid as a dividend)";
- (d) by the addition after sub-paragraph (vii) of the following new sub-paragraph (viii):-

"(viii) "Associated tax credit" means for the purposes of this Article and any plan the tax credit which would be available to the recipient of a dividend under Section 231 of the Income and Taxes Act 1988 on the assumption that such recipient is an individual resident in the UK for UK taxation purposes."

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolutions

Passed 15th April 1993

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 15th April 1993 the following resolutions were passed as SPECIAL RESOLUTIONS, namely:-

To amend the Articles of Association by deleting the current Article 84 and inserting in its place the proposed Article 84 set out in the Schedule to the Notice of Annual General Meeting, to take effect immediately after the conclusion of the Annual General Meeting;

To renew, for the period ending on the date of the Annual General Meeting in 1994 or 14th July 1994, whichever is the earlier, the authority and power conferred on the Directors by Article 11(B) of the Articles of Association and for such period:

- (a) the Section 80 amount shall be [sterling] 452 million; and
- (b) the Section 89 amount shall be [sterling] 68 million.

R.C. Grayson
Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

Schedule

Current Article 84

At each Annual General Meeting one third of the Directors for the time being (or, if their number is not a multiple of three, the number of nearest to but not greater than one-third) shall retire from office by rotation, provided that no Director holding office as an executive Chairman or being a Managing or Joint Managing Director shall be subject to retirement by rotation or be taken into account in determining the number of Directors to retire.

Proposed Article 84

At each Annual General Meeting one-third of the Directors for the time being

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(or, if their number is not a multiple of three, the number nearest to but not greater than one-third) shall retire from office by rotation.

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 16th April 1992

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 16th April 1992 the following resolutions were passed as SPECIAL RESOLUTIONS, namely:-

To amend the Memorandum of Association as set out in Part B of the Schedule to the Notice of Annual General Meeting;

To amend the Articles of Association as set out in Part C of the Schedule to the Notice of Annual General Meeting.

To renew, for the period ending on the date of the Annual General meeting in 1993 or 15th July 1993 whichever is the earlier, the authority and power conferred on the Directors by Article 11(B) of the Articles of Association and for such period:

- (a) the Section 80 amount shall be [sterling]513 million; and
- (b) the Section 89 amount shall be [sterling] 67 million.

R.C. Grayson
Secretary
Britannic House, 1 Finsbury Circus, London EC2M 7BA

Schedule

Part B

1. In Clause 4 of the Memorandum of Association:

1.1 the following shall be inserted as a new sub-clause (DD) after sub-clause (CC):

"(DD) To establish and maintain, and to contribute to, any scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of its employees or former employees, or those of its subsidiary or holding companies or subsidiaries of its holding company, or by or for the benefit of such other persons as may for the time being be permitted by law, or any scheme for sharing profits with its employees or those of its subsidiary and/or associated companies."

1.2 the existing sub-clauses (DD), (EE) and (FF) shall be redesignated accordingly.

Part C

Article 73 of the Articles of Association shall be deleted and replaced by the following:

"73(A) Subject as hereinafter provided, the number of Directors shall not be less than three nor more than eighteen (or such lesser maximum as the Directors may from time to time resolve).

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(B) The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors."

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 18th April 1991

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 18th April 1991 the following Resolution was passed as a SPECIAL RESOLUTION, namely:-

To amend the Articles of Association as set out in the Schedule to the Notice of Annual General Meeting.

R.C. Grayson
Secretary

Britannic House, 1 Finsbury Circus, London EC2M 7BA

SCHEDULE

1 In Article 2 there shall be inserted immediately after the definition of "debenture" the following new paragraphs:

"The expression "Designated Shares" shall mean fully paid shares in a body corporate (which both immediately before and after the distribution hereafter referred to is a subsidiary of the Company) which have been distributed by the Company pursuant to Article 123 and which, at or before the record date for the purpose of determining entitlement to receipt of such distribution, are designated by the Directors to be "Designated Shares" for the purposes of Article 37(A) and any further shares of the same class which may, with the prior consent of the Company, be allotted by such body corporate after such distribution, provided that the Directors may at any time after such distribution declare such shares no longer to be "Designated Shares" for the purposes of such Article by giving not less than 15 days prior notice thereof to The Stock Exchange, and provided further that there shall not at any time be more than one class of shares constituting Designated Shares."

"The expression "Designated Subsidiary" shall mean the body corporate referred to in the definition of "Designated Shares"."

2 In Article 37(A) the first sentence shall be deleted and replaced by the following:

"The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid and shall (for so long as there is in issue any Designated Share) decline to register the transfer of any Ordinary Share unless there is produced to the Directors such evidence as they may in their discretion require to ensure that on the same occasion there is being transferred to the same person one Designated Share for every Ordinary Share included in such transfer. For so long as there is in issue any Designated Share, every transfer of one or more Ordinary Shares shall, except so far as otherwise stated on the instrument of transfer, constitute a transfer of the same number of Designated Shares."

3 In Article 115 the words "declare and" in the penultimate line shall be deleted.

4 In Article 123:

(a) The following new sentences shall be added after the first sentence:

"In addition the Directors may direct payment of any dividend in whole or in part by the distribution of Designated Shares. If at any time and from time to time there have been, or will be, allotted any shares which are Designated Shares, and the Directors resolve to allot to any person any Ordinary Shares (whether or not pursuant to an existing obligation of the Company) the Directors may, if and so far as in the opinion of the Directors the profits of the Company justify such payments, either at the time of such allotment or at any time thereafter, resolve that there be paid to the registered holder of such Ordinary Shares as at the close of business (or at such other time as the Directors may determine) on such date as the Directors may specify a dividend to be paid by the distribution of Designated Shares in such amount and manner as will secure that such holder will receive one Designated Share for each Ordinary Share held by him. (If and so far as the foregoing provisions are inconsistent with those contained in Articles 115, 116, 124 or 126, the foregoing provisions shall prevail.)"

(b) There shall be added as a new sentence at the end of such Article the following:

"The Directors may in relation to any such distribution of Designated Shares authorise any person to enter on behalf of all the members interested into an agreement with the relevant Designated Subsidiary whereby such members agree to become members and to be bound, in respect of their holdings of Designated Shares from time to time, by the Memorandum and Articles of Association (as amended from time to time), of such Designated Subsidiary and each mandate or other instruction relating to the payment of dividends or making of distributions by the Company, and which is in force at the time of determining entitlement to any distribution of Designated Shares, shall, unless and until revoked, become a valid and binding mandate or other instruction to such Designated Subsidiary in respect of any dividend or other distribution paid or made by it, and any agreement made under the authority given to the Directors pursuant to this Article shall be effective and binding on all concerned."

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 26th April 1990

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 26th April 1990 the following Resolution was passed as a SPECIAL RESOLUTION, namely:-

That the Memorandum and Articles of Association of the Company be and are hereby amended as set out in Schedule 1 to the Notice, provided that such amendment shall not affect any power or authority conferred by the passing of Resolution 10 in the Notice.

R.C. Grayson
Secretary
Britannic House, 1 Moor Lane, London EC2Y 9BU

SCHEDULE

A Memorandum of Association

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In Clause 4(CC) there shall be inserted after the words "and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful object" the following:-

"and to purchase and maintain for the benefit of any persons (including Directors) any insurance."

B Articles of Association
1 In Article 2:-

- (a) there shall be deleted the sentence "words denoting persons shall include corporations." and there shall be substituted the following:-

"words denoting persons shall include bodies corporate and unincorporate."

- (b) there shall be inserted immediately after the definition of "Stock Exchange Nominee" as a new paragraph the following sentence:-

"The word "subsidiary" bears the meaning ascribed thereto by Section 736 of the Act and shall bear such meaning notwithstanding any provision contained in these presents which would otherwise require the reference to the said Section of the Act to be construed as relating to any statutory modification or re-enactment thereof."

2 Article 7 shall be redesignated as Article 7(A) and there shall be inserted as a new Article 7(B) the following:-

"7(B) Whenever as a result of a consolidation and division or sub-division of shares any difficulty arises, the Directors may settle the matter in any manner they deem fit and, in particular, may sell shares representing fractions to which any members would become entitled to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale."

3 Article 11(B) shall be deleted and replaced by the following:-

"11(B) (i) Pursuant to and in accordance with Section 80 of the Act the Directors shall be generally and unconditionally authorised to exercise for each prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount; and

(ii) pursuant to and within the terms of the said authority the Directors shall be empowered during each prescribed period to allot equity securities wholly for cash (a) in connection with a rights issue; and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount; and

(iii) during each prescribed period the Company and its Directors by such authority and power may make offers or agreements which would or might require equity securities or other relevant securities to be allotted after the expiry of such period; and

- (iv) for the purposes of this Article 11(B):-

- (a) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings

of such securities or in accordance with the rights attached thereto (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or as regards shares held by any Approved Depositary);

- (b) "prescribed period" means any period (not exceeding 15 months on any occasion) for which the authority conferred in the case of sub-paragraph (i) is renewed by Ordinary or Special Resolution stating the Section 80 Amount, and the power conferred in the case of sub-paragraph (ii) is renewed by Special Resolution stating the Section 89 Amount;
- (c) "the Section 80 Amount" shall for any prescribed period be that stated in the relevant Ordinary or Special Resolution;

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- (d) "the Section 89 Amount" shall for any prescribed period be that stated in the relevant Special Resolution;
- (e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and
- (f) words and expressions defined in or for the purposes of Part IV of the Act shall bear the same meanings therein."

4 In Article 11(C)(i) there shall be inserted after the word "plan" where it appears for the first time the words "or plans".

5 Article 25 shall be redesignated as Article 25(A) and there shall be inserted as a new Article 25(B) the following:-

"25(B) whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:-

- (i) the death of such member;
- (ii) the non-payment of any income tax or other tax by such member;
- (iii) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such member or by or out of his estate; or
- (iv) any other act or thing;

the Company in every such case:-

- (a) shall be fully indemnified by such member or his executor or administrator from all liability; and
- (b) may recover as a debt due from such member or his executor or administrator wherever constituted or residing any monies paid by the Company under or in consequence of any such law together with interest thereon at the rate of

15 per cent. per annum thereon from date of payment to date of repayment.

Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the Company and every such member as aforesaid, his executor, administrator, and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company."

6 In Article 37(B) there shall be inserted after words "on which the transfer was lodged with the Company" the following:-

"or ten days after the Directors have determined to refuse such transfer, whichever is the earlier,"

7 In Article 54 there shall be inserted in the first sentence after the words "a quorum is present may with" the words:-

"or without"

8 Article 64(A) shall be redesignated as Article 64 and shall be amended by the deletion of all the words after "unpaid" in the fifth line. Articles 64(B) and (C) shall be deleted.

9 Article 70 shall be redesignated as Article 70(A) and Article 71 shall be redesignated as Article 70(B). The following shall be inserted as new Article 71:-

"DISCLOSURE OF INTERESTS

71(A) if any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is in default for the Prescribed Period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter by notice (a "Direction Notice") to such member direct that in respect of the shares in relation to which the default occurred (the "Default Shares") (which expression shall include any further shares which are issued in respect of such shares) the member shall not be entitled to vote either personally or by proxy at a General Meeting of the Company or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to General Meetings of the Company or meetings of the holders of any class of shares of the Company.

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(B) The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the said Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice.

(C) where the Default Shares represent at least 0.25 per cent. of the issued shares of that class then the Direction Notice may additionally direct:-

(i) that any cash dividend or other money which would otherwise be payable in respect of each of the Default Shares shall (in whole or any part thereof) be retained by the Company without any liability to pay interest thereon when such money is finally paid to the member; and/or

(ii) that no transfer of any of the shares held by such member shall be registered unless:-

(a) the member is not himself in default as regards supplying the information required and the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in

a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or

(b) the transfer is an approved transfer.

(D) Where any person appearing to be interested in the Default Shares has been duly served with a Direction Notice and the Default Shares which are the subject of such Direction Notice are held by an Approved Depositary, the provisions of this Article shall be treated as applying only to such Default Shares held by the Approved Depositary and not (insofar as such person's apparent interest is concerned) to any other shares held by the Approved Depositary.

(E) Where the member on which a notice under Section 212 of the Act is served is an Approved Depositary acting in its capacity as such, the obligations of the Approved Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as an Approved Depositary.

(F) Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which the Direction Notice was issued continues and (unless the Directors otherwise determine) for a period of one week thereafter but shall cease to have effect in relation to any Default Shares which are transferred by such member by means of an approved transfer. The Directors may at any time give notice cancelling a Default Notice.

(G) For the purpose of this Article:-

(i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 of the Act which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe or suspects on reasonable grounds that the person in question is or may be interested in the shares;

(ii) the Prescribed Period is 28 days from the date of service of the notice under the said Section 212 except that if the Default Shares represent at least 0.25 per cent. of the issued shares of that class, the Prescribed Period is 14 days from such date; and

(iii) a transfer of shares is an approved transfer if but only if:-

- (a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for a company (as defined in Section 14 of the Company Securities (Insider Dealing) Act 1985); or
- (b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or
- (c) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(H) Nothing contained in this Article shall limit the power of the Directors under Section 216 of the Act."

10 Article 91 shall be redesignated as Article 91(A), and there shall be inserted as a new Article 91(B) the following:-

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"Subject always to Article 91(A), all or any of the Directors or any committee thereof may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present."

11 In Article 95(B) at the end of paragraph (v) there shall be deleted "." and substituted therefor ";" and the following shall be inserted as a new paragraph (vi):-

"(vi) any proposal concerning the purchase and/or maintenance of any insurance policy under which he may benefit".

12 In Article 97(B) there shall be added after the words "by seniority in length of appointment":-

"as Deputy Chairman"

13 In Article 113 after Article 113(C) insert the following new Article 113(D) :-

"(D) Where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf."

14 In Article 116(B) there shall be inserted after the words "the date on which the Directors publicly announce their intention to pay that specific dividend." the following:-

"Provided that where the Directors consider the circumstances to be appropriate they shall determine such foreign currency equivalent of any sums payable as a dividend by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Directors may in their discretion select."

15 In Article 124(A) there shall be added in the 13th line after the words "drawn shall be a good discharge to the Company" the following:-

"If any such cheque or warrant has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled thereto, issue a replacement cheque or warrant subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Directors may think fit."

16 In Article 126, there shall be added after the words in the first sentence "Notwithstanding any other provision of these presents" the words:-

"but subject always to the Statutes"

17 In Article 129 there shall be added in the 11th line after the words "copy free of charge on application at the Office" the following:-

"and provided further that if the Statutes so permit the Company need not send copies of these documents to members who do not wish to receive them but may send them such summary financial statement or other documents as may be authorised by the Statutes."

18 In Article 132 there shall be inserted in the third line after the word "cover" the words "(in such form as any Director or the Secretary may determine)".

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolutions

Passed 27th April 1989

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 27th April 1989 the following Resolutions were passed as SPECIAL RESOLUTIONS, namely:-

THAT Article 11(C)(iv) of the Company's Articles of Association be deleted and replaced with the following:-

"(iv) No fraction of any share shall be allotted. The Directors may make such provisions as they think fit for any fractional entitlements including provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any shareholder and such accruals or retentions are applied to the allotment by way of bonus to or cash subscription on behalf of such shareholder of fully paid Ordinary Shares."

THAT Article 116 of the Company's Articles of Association be deleted and replaced with the following:

"(A) Unless and to the extent that the rights attached to any shares, the terms of issue thereof or these presents otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

(B) The Directors may at their discretion make provisions to enable such Approved Depositary and/or member as they shall from time to time determine to receive dividends duly declared in a currency or currencies other than sterling. For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the foreign currency equivalent of any sum payable as a dividend shall be such market rate selected by the Directors as they shall consider appropriate ruling at the close of business in London on the date which is the business day last preceding (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Directors publicly announce their intention to recommend that specific dividend and (b) in the case of any other dividend, the date on which the Directors publicly announce their intention to pay that specific dividend."

THAT in Article 124:

- (a) The existing Article be re-numbered "124(A)" and the words "Any dividend or other moneys payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address" be deleted and replaced with the following:

"(A) Any dividend or other moneys payable in cash (whether in sterling or foreign currency pursuant to provision made under these presents) on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address"

- (b) The following new clause (B) be added:

"(B) Where an Approved Depositary approved by the Directors for the purposes of this Article has elected or agreed pursuant to provision made under these presents to receive dividends in a foreign currency, the Directors may in their discretion approve the entering into of arrangements with such Approved Depositary to enable payment of the dividend to be made to such Approved Depositary in such foreign currency for value on the date on which the relevant dividend is paid, or such later date as the Directors may determine."

THAT in Article 11(C)(vii), after "Approved Depositary", the following be added:

"or in respect of Ordinary Shares the dividends on which are payable or liable to be payable in foreign currency pursuant to provisions made under these presents."

R.C. Grayson
Secretary
Britannic House, Moor Lane, London EC2Y 9BU

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 28th April 1988

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 28th April 1988 the following Resolution was passed as a SPECIAL RESOLUTION, namely:-

That Article 75 of the Company's Articles of Association be deleted and replaced with the following:-

"75 The ordinary remuneration of the Directors shall from time to time be determined by an Ordinary Resolution of the Company and shall (unless such resolution otherwise provides) be divisible among the Directors as they may agree, or, failing agreement, equally, except that any Director who shall hold office for part only of the period in respect of which such remuneration is payable shall be entitled only to rank in such division for a proportion of remuneration related to the period during which he has held office."

R.C. Grayson
Secretary
Britannic House, Moor Lane, London EC2Y 9BU

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No. 102498
The British Petroleum Company p.l.c.
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Special Resolution

Passed 21st September 1987

At an EXTRAORDINARY GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 21st September, 1987 the following Resolution was passed as a Special Resolution, namely:-

THAT, subject to and with effect from Her Majesty's Government (as defined in the Articles of Association of the Company) becoming unconditionally obliged to subscribe for Ordinary Shares of 25p each in the Company ('Ordinary Shares') for the purpose of offering such Ordinary Shares to members of the Company and others, in accordance with the arrangements described in the letter from The Chairman to the members of the Company dated 28th August, 1987 or with such modifications as the Directors may consider appropriate:

(i) the Directors be and are hereby authorised and empowered pursuant to Section 95 of the Companies Act 1985 to allot (as if Section 89(1) of the said Act did not apply thereto) up to 600 million Ordinary Shares for cash to Her Majesty's Government or such person or persons as Her Majesty's Government may nominate:

(a) at such price (payable in full on subscription) as shall be agreed between Her Majesty's Government and the Company (being not less than the lowest price at which Her Majesty's Government shall have offered Ordinary Shares to the public in the United Kingdom in the period of two months immediately preceding the allotment); and

(b) on terms that such shares (other than those which Her Majesty's Government would itself otherwise have been offered in accordance with the arrangements described below), or an equivalent number of shares, be offered by or on behalf of Her Majesty's Government (at the same fixed price and on the same terms as to payment of instalments as Her Majesty's Government shall have offered Ordinary Shares generally to the public in the United Kingdom during such period) to holders of Ordinary Shares of the register on a fixed record date in proportion to their then holdings of such shares (but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of or the requirements of any recognised regulatory body or any stock exchange in any territory or as regards shares represented by depositary receipts); provided that the authority and powers hereby conferred are in addition to and without prejudice to the powers and authorities granted pursuant to the Articles of Association at the Extraordinary General Meeting of the Company held on 30th April, 1987, and shall lapse if not exercised before the Annual General Meeting of the Company held in 1988; and

(ii) the Articles of Association of the Company be and are hereby amended as set out in Schedule I to the letter from The Chairman to the members of the Company dated 28th August, 1987.

Judith C. Hanratty
Assistant Secretary
Britannic House, Moor Lane, London EC2Y 9BU

SCHEDULE

1 Article 1 shall be amended to read:-

"The regulations in Table A in the Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company under any former enactment relating to companies shall not apply to the Company."

2 In Article 2:-

- (a) the definition of "The Acts" shall be deleted and replaced with the following:-

"The Act The Companies Act 1985."

- (b) the definition of "The statutes" shall be amended to read:-

"the Act and every other Statute for the time being in force concerning companies and affecting the Company."

- (c) the definition of "Securities Seal" shall be amended to read:-

"An official seal kept by the Company by virtue of Section 40 of the Act."

- (d) there shall be inserted the following new definition:-

"The Stock Exchange The International Stock Exchange of the United Kingdom and the Republic of Ireland Limited."

- (e) there shall be inserted the following additional paragraph:-

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"The expression "Approved Depositary" shall mean a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Directors whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Directors for the purpose of these presents and shall include, where approved by the Directors, the trustees (acting in their capacity as such) of any Employees' Share Scheme established by the Company or any other scheme or arrangements principally for the benefit of employees of the Company and/or its subsidiaries which has been approved by the Company in general meeting."

- (f) the words "Section 87(1) of the 1980 Act" shall be deleted from the definition of "Employees' Share Scheme" and replaced with the words "Section 743 of the Act."

- (g) the words "Section 7(2) of The Stock Exchange (Completion of Bargains) Act 1976" shall be deleted from the definition of "Stock Exchange Nominee" and replaced with the words "Section 185 of the Act."

- (h) in the penultimate paragraph of the Article the word "Acts" shall be deleted and replaced with the word "Act."

- (i) the following words shall be added at the end of the final paragraph of the Article:-

"or the Statutes and where for any purpose an Extraordinary Resolution is required a Special Resolution shall be effective."

3 In Article 11:-

- (a) in paragraph (B)(i) the words "Section 14 of the 1980 Act" shall be deleted and replaced with the words "Section 80 of the Act."

- (b) in paragraph (B)(ii) the words "Section 17(1) of the 1980 Act" shall be deleted and replaced with the words "Section 89 of the Act."

(c) in paragraph (B)(iv) the words "represented by depositary receipts or shares held by or on behalf of Her Majesty's Government" shall be deleted and replaced with the words "held by any Approved Depositary" and the words "Part II of the 1980 Act (as modified by the 1981 Act)" shall be deleted and replaced with the words "Part IV of the Act."

(d) there shall be added at the end of paragraph (c)(vii) the words "or in respect of Ordinary Shares held by an Approved Depositary."

4 In Article 45(A)(iv) the words "in London" shall be deleted.

5 Article 48 be redesignated as Article 48(A) and there shall be inserted as a new Article 48(B) the following:-

"(B) The Directors may, for the purpose of facilitating the organisation and administration of any General Meeting, from time to time make such arrangements whether involving the issue of tickets (on a basis intended to afford to all members and proxies otherwise entitled to attend such meeting an equal opportunity of being admitted to the meeting) or the imposition of some random means of selection or otherwise as they shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in place thereof and the entitlement of any member or proxy to attend a General Meeting at such place shall be subject to such arrangements as may be for the time being in force and by the notice of meeting stated to apply to that meeting. In the case of any General Meeting to which such arrangements apply the Directors shall, and in the case of any other General Meeting the Directors may, when specifying the place of the General Meeting, direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside ("the Principal Place") and make arrangements for simultaneous attendance and participation at other places by members and proxies otherwise entitled to attend the General Meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places. Provided that persons attending at the Principal Place and at any of such other places shall be able to see and hear and be seen and heard by persons attending at the Principal Place and at such other places. Such arrangements for simultaneous attendance may include arrangements regarding the level of attendance as aforesaid at such other places provided that they shall operate so that any such excluded members and proxies as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these Articles any such meeting shall be treated as being held and taking place at the Principal Place."

6 In Article 54 there shall be added before the words "but no business shall be transacted" the words:-

"and if it appears to the chairman that it is likely to be impracticable to hold or continue the meeting because of the numbers of members and proxies wishing to attend the meeting who are not present he may adjourn the meeting to another time and place (or sine die) without the need for any such consent"

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7 In Article 61(A) there shall be added following the word "Subject" the words "to Article 64 and".

8 Article 64 shall be redesignated as Article 64(A); in the first sentence of Article 64(A) (as redesignated) the words "Section 74 of the 1981 Act" shall be deleted and replaced with the words "Section 212 of the Act"; the second sentence of Article 64(A) (as redesignated) shall be amended to read:-

"For the purposes of this Article a person shall be treated as appearing to be interested in any shares, inter alia:-

(i) if the member holding such shares has given to the Company a notification under the said Section 212 which fails to establish the identities of those interested in the shares and if (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe that the person in question is or may be interested in the shares; or

(ii) if the member holding such shares is an Approved Depositary and the person in question has notified the Approved Depositary that he is so interested." And there shall be added the following additional provisions:-

(B) where any person appearing to be interested in shares has been duly served with a notice under Section 212 of the Act and the shares in which he appears to be interested are held by an Approved Depositary, the provisions of this Article shall be treated as applying only to those shares held by the Approved Depositary in which such person appears to be interested and not (insofar as such person's apparent interest is concerned) to any other shares held by the Approved Depositary."

(C) where the member on which a notice under Section 212 of the Act is served is an Approved Depositary acting in its capacity as such, the obligations of the Approved Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as an Approved Depositary."

9 There shall be added at the end of Article 70 the words "or as otherwise determined by the Directors where the relevant shares are held by an Approved Depositary."

10 Article 72 shall be deleted and replaced with the following:-

"Any corporation which is a member of the Company may, by resolution of its directors or other governing body, authorise such person (or if, but only if, such corporation is an Approved Depositary acting in its capacity as such, persons) as it thinks fit to act as its representative (or, as the case may be, representatives) at any meeting of the Company or of any class of members of the Company. A person so authorised shall be entitled to exercise the same powers on behalf of the grantor of the authority (in respect of those shares held in the name of the grantor in respect of which his authorisation is given, in the case of any authorisation by an Approved Depositary) as the grantor could exercise if it were an individual member of the Company, and each person so authorised shall, if present at any such meeting, for the purposes of these Articles be deemed to be a member present in person at such meeting."

11 In Article 95(B)(iv) the words "Section 64 of the 1980 Act" shall be deleted and replaced with the words "Section 346 of the Act".

12 In Article 103(A) the words "save and except Article 141" shall be deleted from the final sentence.

13 In Article 124 there shall be added after the word "address" in the first sentence the words "(or in the case of an Approved Depositary, subject to the approval of the Directors, such persons and addresses)".

14 In Article 126 there shall be added after the words "the close of business" the words "(or such other time as the Directors may determine)".

15 Article 141 shall be deleted in its entirety.

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 30th April 1987

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 30th April 1987 the following Resolution was passed as a SPECIAL RESOLUTION, namely:-

That the Articles of Association of the Company be amended by inserting the following Article as Article 11(C):

"11(C) (i) The Directors may with the prior sanction of an Ordinary Resolution of the Company implement and maintain in accordance with the terms and conditions of such Resolution but otherwise as the Directors may determine from time to time a share dividend or distribution reinvestment plan for the benefit of the holders of Ordinary Shares of the Company whereby such holders may be given one or more of the following options namely:-

(a) instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any Ordinary Shares held by them either to invest such cash in subscribing for unissued Ordinary Shares in the capital of the Company payable in full or by instalments or in paying up in full or by instalments any unpaid or partly paid Ordinary Shares held by them on the terms of any such plan; or

(b) instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any Ordinary Shares held by them to elect to receive new Ordinary Shares in the capital of the Company credited as fully paid on the terms and conditions of any such plan; or

(c) to forego their entitlement to any dividend (or any part thereof) declared or payable on all or any Ordinary Shares held by them and to take instead fully paid bonus Ordinary Shares on the terms and conditions of any such plan; or

(d) any other option in respect of the whole or any part of any dividend on all or any Ordinary Shares held by them as the Directors shall determine.

(ii) The Directors may in their discretion suspend or terminate any such plan which is in operation.

(iii) For the purpose of any such plan the Directors may capitalise out of such of the sums standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or any other undistributable reserve) or any of the profits available for distribution under the provisions of the Statutes and which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of any Ordinary Shares to be allotted under any such plan and shall apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution credited as fully paid up to and amongst the holders of Ordinary Shares entitled to the same. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation and may authorise any person on behalf of all the holders of Ordinary Shares entitled to the same to enter into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

(iv) No fraction of any share shall be allotted. The Directors may make

2000-03 BP Annual Rpt (20F) for 1999.txt
such provisions as they think fit for any fractional entitlement including provisions whereby, in whole or in part, the benefit thereof accrues to the Company.

(v) The Directors shall notify the holders of Ordinary Shares of the terms and conditions of any such plan and shall make available or provide to them forms of election so that they may exercise the rights granted.

(vi) The power conferred under this Article and by any authority given by the Shareholders shall not be exercised unless the Company shall then have:

(a) sufficient unissued shares in the capital of the Company capable of being issued as Ordinary Shares; and

(b) if any shares are to be allotted other than for cash, sufficient profits available for distribution or reserves standing to the credit of an appropriate account to give effect to the terms of any such plan.

(vii) The Directors may in their discretion on any occasion determine that any such plan shall not be made available to Ordinary Shareholders resident within or beyond specified territories or jurisdictions."

R.C. Grayson
Secretary
Britannic House, Moor Lane, London EC2Y 9BU

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Special Resolution

Passed 5th May 1983

At the ANNUAL GENERAL MEETING of THE BRITISH PETROLEUM COMPANY p.l.c. held on 5th May 1983 the following Resolution was passed as a SPECIAL RESOLUTION:-

That the Articles of Association contained in the document submitted to the Meeting, and for the purposes of identification signed by the Chairman thereof, be and are adopted as the Articles of Association of the Company in substitution for and to the exclusion of the existing Articles of Association.

J.E. Wedgbury
Secretary
Britannic House, Moor Lane, London EC2Y 9BU

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The Companies Act 1985 to 1989
Company Limited by Shares

No. 102498
The British Petroleum Company p.l.c.

Resolutions

Passed 3rd December 1981

At a Meeting of the Directors of THE BRITISH PETROLEUM COMPANY LIMITED held on 3rd December, 1981 the following Resolutions were passed by virtue of Section 8(3)(a) of the Companies Act 1980, namely:-

(I) THAT the conditions specified in Section 8(11) of the Companies Act 1980 ("the Act") being met, the Company be re-registered as a public company in accordance with the provisions of the Act.

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(II) THAT the Memorandum of Association of the Company be amended in accordance with the provisions of the Act as follows:-

- (a) by the deletion of the existing clause 1 and the substitution thereof of the following as new clause 1:-

"The name of the Company is 'The British Petroleum Company p.l.c.'"

- (b) by the renumbering of the existing clauses 2 to 5, inclusive, as clauses 3 to 6, respectively

- (c) by the addition of the following clause as new clause 2:-

"The Company is to be a public company".

J.E. Wedgbury
Secretary
Britannic House, Moor Lane, London EC2Y 9BU

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Company Limited by Shares
BP Amoco p.l.c.

Memorandum of Association

The Company was incorporated on 14 April 1909 as Anglo-Persian Oil Company Limited. The name was changed to Anglo-Iranian Oil Company Limited on 28th June 1935 and to The British Petroleum Company Limited on 17th December 1954. On 4th January 1982 the Company was re-registered as a public company in accordance with the Companies Act 1980. The name was changed on 31st December 1998 to BP Amoco p.l.c. following completion of a merger with Amoco Corporation.

*This refers to Clause 3 of the original Articles of Association. Being obsolete the clause has been omitted from the Articles of Association since 26th July 1949 when the original Articles of Association were replaced.

- 1 The name of the Company is "BP Amoco p.l.c."
- 2 The Company is to be a public company.
- 3 The Registered Office of the Company will be situate in England.
- 4 The objects for which the Company is established are:-

(A) To enter into and carry into effect, with such modifications (if any) as may be agreed upon, the agreement with The Concessions Syndicate, Limited, The Burmah Oil Company, Limited, and Lord Strathcona and Mount Royal, mentioned in Clause 3 of the Company's Articles of Association.*

(B) To purchase, take on lease or license, or otherwise acquire any petroleum or oil-bearing lands in Persia or in any other part of the world, or any interest in any such lands, or any rights of or connected with the getting or winning of any natural gas, petroleum or other oil, bitumen, asphalt or ozokerite, or other similar substances, and to sink wells, to make borings and otherwise to search for, obtain, exploit, develop, render suitable for trade, carry away and sell petroleum and other mineral oils, natural gas, asphalt, ozokerite, or other similar substances and products thereof, and other fuels.

(C) To carry on all or any of the businesses of dealers in and refiners of petroleum and other mineral oils, natural gas, asphalt, and ozokerite, or other similar substances and products thereof, and other fuels, mine owners,

merchants, carriers, wharfingers, manufacturers, shipowners, shipbuilders, barge owners, lightermen, factors and brokers in all or any of their respective branches, and to treat or turn to account in any other manner any natural gas, petroleum or other oils, asphalt, or any products thereof, or any other fuel.

(D) To acquire, work and dispose of and deal in any mines, metals, minerals, mineral wax, clay and other like substances, and to acquire, produce by cultivation, manufacture, treat, deal in or otherwise turn to account any mineral, vegetable or mineral products.

(E) To acquire, construct, improve, maintain, work, manage, carry out or control any roads, ways, tramways, railways, docks, wharves, piers, bridges, viaducts, aqueducts, canals, watercourses, tanks, wells, reservoirs, stations and pump services, accumulation services and distribution services, pipes, pipe lines, and other apparatus in connection with oil, gas, bitumen, asphalt and ozokerite, and other similar substances, telegraphs, telephones, gasworks, electric lighting and power works, factories, workshops, warehouses, shops, stores, fuel stores, fuel stations, guard towers, dwelling-houses, and other buildings, works and conveniences which may seem calculated directly or indirectly to advance the Company's interests, and to contribute to, subsidise or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or control thereof, and to take any lease or enter into any working agreement in respect thereof.

(F) To purchase, build, charter, affreight, hire and let out for hire, or for chartering and affreightment, and to otherwise obtain the possession of, and use and dispose of, and employ or turn to account ships, lighters, launches, boats and vessels of all kinds (including tank vessels), and locomotives, wagons, tank cars and other rolling stock, and to otherwise provide for the conveyance of oil, gas, asphalt, ozokerite and movable property of all kinds, and to purchase or otherwise acquire any shares or interests in any ships or vessels, or in any companies possessed of or interested in any ships or vessels.

(G) To clear, manage, farm, cultivate, irrigate and otherwise work or use any lands over which for the time being the Company has any rights, and to dispose of or otherwise deal with any farm or other products of any such lands, and to lay out sites for and establish permanent camps, towns and villages on any such lands.

(H) To equip expeditions and employ experts, agents and others for the purpose of searching for, acquiring, working, proving, and developing lands and others and concessions, licences, rights, powers and privileges suitable for the purposes of the Company.

(I) To carry on business as concessionaires, capitalists and financiers, and to undertake, carry on and execute any kinds of financial, commercial, trading, trust, exploitation, agency and other operations, and to advance or provide money, with or without security, to concessionaires, inventors, patentees and others, for the purpose of improving and developing, or assisting to improve and develop, any concessions, lands or others, or of experimenting, testing or developing any invention, design or process, industrial or otherwise.

(J) To carry on as principals, or agents, any branch of agricultural, manufacturing, metallurgical, chemical or mercantile business for which the Company's properties, buildings, and employees may be conveniently applicable.

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(K) To subsidise, or contribute to, or otherwise assist in, or take part in, the construction, maintenance, improvement, management, working, control or superintendence of any operations or works or buildings useful or expedient or convenient or adaptable for the purposes of the Company which may be constructed by or may belong to or be worked by or be under the control or superintendence

of others.

(L) To manufacture, buy, sell, treat and deal in all kinds of commodities, substances, materials, articles and things necessary or useful for carrying on any of the businesses of the Company, or in or for any of the operations of the Company.

(M) To purchase, lease or otherwise acquire, and to confer and grant rights of way, light and water and other rights, easements or privileges in favour of the Company or its properties or any of them, or over or affecting the Company's properties or any of them.

(N) To guarantee payment of any moneys by, or the performance of any contracts, liabilities, obligations or engagements of any company, corporation or person, with, or to any other company, corporation or person; and to become liable or responsible for money; and to grant guarantees and indemnities of every description; and to undertake obligations of every description.

(O) To indemnify and secure any person (including any officers of this Company) or company against debt or liability incurred to him or them by this Company, or undertaken by him or them for or on behalf of this Company, or against any costs, losses or expenses in connection with any of the affairs or businesses of this Company, and to issue to any such person or company, by way of indemnity or security, any shares, or grant in their favour or give them any securities, which this Company has power to issue, grant or give.

(P) To pay all printing, legal and other costs, charges and expenses incidental to or connected with the promotion, formation and incorporation of the Company (whether of a preliminary nature or not), and the purchase or acquisition of any properties, businesses, rights and others acquired or to be acquired for the purposes of the Company and the carrying of any of its objects into effect; and to remunerate any person or company for services rendered or to be rendered in placing, or assisting in placing, or obtaining subscriptions for, any shares or stocks or securities of this Company, or of any company to be promoted by this Company, or in arranging loans for this Company, or any company to be promoted by it, or in relation to the formation or promotion of this Company, or of any company to be promoted by this Company, or otherwise in relation to the businesses or objects of this Company; and to adopt all acts and preliminary arrangements in reference to all or any of these matters.

(Q) To carry on any other businesses which may seem to the Company capable of being conveniently carried on in connection with any business which the Company is authorised to carry on, or may seem to the Company calculated directly or indirectly to benefit this Company, or to enhance the value of or render profitable any of the Company's properties or rights.

(R) To acquire and carry on all or any part of the business or property, and to undertake any liabilities of any person, firm, association or company possessed of property suitable for any of the purposes of this Company, or carrying on any business which this Company is authorised to carry on, and as the consideration for the same to pay cash or to issue any shares, stocks or obligations of this Company.

(S) To enter into partnership or into any arrangement for sharing profits, union of interest, joint adventure, reciprocal concessions or co-operation with any person or company carrying on, engaged in, or about to carry on or engage in, any business or transaction which the Company is authorised to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit this Company, and to take or otherwise acquire and hold, sell, re-issue or otherwise deal with the shares or stock in or securities or obligations of, and to subsidise or otherwise assist any such company, and to guarantee the principal or interest of any such securities or obligations, or any dividends upon any such shares or stock.

(T) To purchase, take on lease or in exchange, hire or otherwise acquire any real or personal property, rights or privileges which the Company may think suitable or convenient for any purposes of its business; and to erect and construct buildings and works of all kinds.

(U) To apply for, purchase or otherwise acquire any patents, licenses and the like, conferring an exclusive or non-exclusive or limited right to use, or any secret or other information as to any invention which may seem capable of being used for any of the purposes of the Company, or the acquisition of which may seem calculated directly or indirectly to benefit this Company, and to use, exercise, develop, grant licenses in respect of, or otherwise turn to account the rights and information so acquired.

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(V) To purchase, subscribe for or otherwise acquire, and to hold the shares, stocks or obligations of any company, in the United Kingdom or elsewhere, and upon a distribution of assets or division of profits to distribute any such shares, stocks or obligations amongst the Members of this Company in kind.

(W) To borrow or raise or secure the payment of money, and for those or other purposes to mortgage or charge the undertaking and all or any part of the property and rights of the Company, present or after acquired, including uncalled capital, and to create, issue, make, draw, accept and negotiate perpetual or redeemable debentures or debenture stock, bonds or other obligations, bills of exchange, promissory notes or other negotiable instruments.

(X) To sell, let, develop, dispose of or otherwise deal with the undertaking and property of the Company, or any part thereof or share or interest therein, upon any terms, with power to accept as the consideration any shares, stocks or obligations of or interest in any other company.

(Y) To allow or cause the legal estate and interest in any businesses or property acquired, established or carried on by the Company, to remain or be vested or registered in the name of or carried on by any foreign company or companies, formed or to be formed, or persons, either upon trust for or as agents or nominees of this Company.

(Z) To pay out of the funds of the Company all expenses which the Company may lawfully pay of or incident to the formation, registration and advertising of or raising money for the Company and the issue of its capital, including brokerage and commissions for obtaining applications for or taking, placing or underwriting shares, debentures or debenture stock, and to apply at the cost of the Company to Parliament for any extension of the Company's powers.

*See notes at end of Memorandum of Association.

(AA) To enter into any arrangement with any governments or authority, supreme, municipal, local or otherwise, and to obtain from any such government or authority any rights, concessions and privileges that may seem conducive to the Company's objects or any of them.

(BB) To procure the Company to be domiciled, registered and recognised in accordance with the laws and constitution of Persia, and any other country or place, and to take such steps and do such acts and things as may be necessary or expedient to give the Company the same rights and privileges in Persia, or in any other place or country outside the United Kingdom as may be possessed by local companies or partnerships of a similar nature.

(CC) To establish and support, or aid in the establishment and support of

associations, institutions and conveniences calculated to benefit any of the employees or ex-employees of the Company, or the dependents or connections of such persons, and to grant pensions and allowances, and to make payments towards insurance, and to subscribe or guarantee money for charitable or benevolent objects, or for any exhibition, or for any public, general or useful object and to purchase and maintain for the benefit of any persons (including Directors) any insurance.

(DD) To establish and maintain, and to contribute to, any scheme for encouraging or facilitating the holding of shares or debentures in the Company by or for the benefit of its employees or former employees, or those of its subsidiary or holding companies or subsidiaries of its holding company, or by or for the benefit of such other persons as may for the time being be permitted by law, or any scheme for sharing profits with its employees or those of its subsidiary and/or associated companies.

(EE) To promote any company or companies for the purpose of its or their acquiring all or any of the property, rights and liabilities of the Company or share or interest therein, or for any other purpose which may seem directly or indirectly calculated to benefit this Company, and to pay all the expenses of or incident to such promotion.

(FF) To carry out all or any of the foregoing objects as principals or agents, or in partnership or conjunction with any other person, firm, association or company, and in any part of the world.

(GG) To do all such other things as are incidental or conducive to the attainment of the above objects.

5 The liability of the Members is limited.

6 The capital of the Company is *(pound)2,000,000 divided into 1,000,000 Preference Shares of (pound)1 each and 1,000,000 Ordinary Shares of (pound)1 each, with power to increase and with power from time to time to issue any shares of the original or new capital with any preference or priority in the payment of dividends or the distribution of assets, or otherwise, over any other shares, whether Ordinary or Preference, and whether issued or not, and to vary the regulations of the Company as far as necessary to give effect to any such preference or priority, and upon the subdivision of a share, to apportion the right to participate in profits or surplus assets, or the right to vote in any manner as between the shares resulting from such subdivision.

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WE, the several persons whose names and addresses are subscribed are desirous of being formed into a Company in pursuance of this Memorandum of Association, and we respectively agree to take the number of shares in the capital of the Company set opposite our respective names.

Names, addresses and descriptions
of subscribers

Number of Preference Shares
Shares taken by each Subscriber

Strathcona,
28 Grosvenor Square, London W.,
G.C.M.G., G.C.V.O.

One thousand
Preference

Charles William Wallace,
Director, The Burmah Oil Company, Limited,
Winchester House, Old Broad Street,
London E.C.

One thousand
Preference

Francis of Teck,
36 Welbeck Street, London W.

One thousand

K.C.V.O.

Preference

H. S. Barnes, K.C.S.I., K.C.V.O.
East India United Service Club,
16 St. James' Square, London S.W.

One thousand
Preference

William Garson,
Writer to the "Signet",
5 Albyn Place, Edinburgh.

One thousand
Preference

John T. Cargill
Chairman, The Burmah Oil Company, Limited,
175 West George Street, Glasgow.

One thousand
Preference

W. K. D'Arcy
Chairman, London Board,
Mount Morgan Gold Co., Limited,
42 Grosvenor Square, London W.

One thousand
Preference

Dated the 14th day of April, 1909.

Witness to the above Signatures:-
Charles Crisp,
Solicitor,
17 Throgmorton Avenue, London E.C.

- 1 The following increases in the Company's original capital of [sterling] 2,000,000 have been made:-

Date of Resolution	By Creation of shares of [sterling] 1 each	Increased to
29th May 1914	2,000,000 Ordinary Shares	[sterling] 4,000,000
3rd December 1917	1,000,000 Preference Shares	[sterling] 5,000,000
1st December 1919	3,000,000 Preference Shares	[sterling] 20,000,000
	4,500,000 Ordinary Shares	
	7,500,000 Shares	
2nd November 1926	4,000,000 Ordinary Shares	[sterling] 24,000,000
31st December 1931	2,500,000 Shares	[sterling] 26,500,000
21st June 1937	6,500,000 Ordinary Shares	[sterling] 33,000,000
16th December 1954	87,000,000 Ordinary Shares	[sterling] 120,000,000
22nd October 1957	80,000,000 Shares	[sterling] 200,000,000
9th October 1958	50,000,000 Shares	[sterling] 250,000,000
26th October 1961	50,000,000 Shares	[sterling] 300,000,000
14th May 1964	75,000,000 Shares	[sterling] 375,000,000
11th May 1967	50,000,000 Shares	[sterling] 425,000,000
4th May 1972	75,000,000 Shares	[sterling] 500,000,000
	shares of 25p each	
6th May 1982	400,000,000 Ordinary Shares	[sterling] 600,000,000
30th April 1987	4,600,000,000 Ordinary Shares	[sterling] 1,750,000,000
28th April 1988	1,000,000,000 Ordinary Shares	[sterling] 2,000,000,000
	shares of US\$0.50 each	
25 November 1998	12,000,000,000 Ordinary Shares	\$6,000,000,000 and [sterling] 12,750,000

- 2 At an Extraordinary General Meeting held on 4th October 1979 the following Special Resolution was passed:-

THAT as from the close of business on Friday, 5th October 1979:-

(a) each (pound)1 of the (pound)7,232,838 Cumulative Preference Stock be hereby converted into one Cumulative First Preference Share of (pound)1 and each (pound)1 of the (pound)5,473,414 Cumulative Second Preference Stock be hereby converted into one Cumulative Second Preference Share of (pound)1 and each (pound)1 of the (pound)386,518,085 Ordinary Stock be hereby converted and sub-divided into four Ordinary Shares of 25p each;

(b) each of the 100,731,915 unissued and unclassified shares of [sterling] 1 be hereby sub-divided into and designated as four Ordinary Shares of 25p each;

(c) Article 68 of the Company's Articles of Association* be hereby altered by deleting the words "one vote for every five Preference Shares and two votes for every Ordinary Share" and substituting therefor the words "two votes for every (pound)5 in nominal amount of the Preference Shares and one vote for every 25p in nominal amount of the Ordinary Shares"; and

(d) all standing resolutions for the conversion of shares into stock be hereby rescinded and cancelled.

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*This refers to Article 68 of previous Articles of Association replaced by those adopted on 5th May 1983.

3 At an Extraordinary General Meeting held on 25th November 1998 the following Special Resolution was passed (and the conditions referred to therein were satisfied on 31st December 1998):-

"THAT, conditional upon the passing as an extraordinary resolution at a separate meeting of the holders of the Ordinary Shares in the capital of the Company (or any adjournment thereof) of the resolution set out in the notice dated 30 October 1998 convening such meeting and upon and with effect from the Merger Agreement becoming unconditional in all respects (save as regards the condition relating to the admission of the shares in the Company to be issued as consideration pursuant to the Merger to the Official List of the London Stock Exchange becoming effective) and not having been terminated in accordance with its terms:

11.1 the ordinary share capital of the Company be reduced by cancelling and extinguishing all the Ordinary Shares of 25p each in the capital of the Company ("Sterling Shares"), whether issued or authorised but unissued, and the reserve arising as a result of such cancellation be credited to a special reserve account of the Company (the "Ordinary Share Reserve");

11.2 subject to and forthwith upon such reduction of capital taking effect:

- (a) the authorised share capital of the Company be increased to (pound)12,750,000 and \$6,000,000,000 by the creation of 12,000,000,000 new Ordinary Shares of \$0.50 each;
- (b) the Ordinary Share Reserve be converted into US dollars at such spot rate of exchange for the purchase of US dollars with pounds sterling at or around 4.00 pm (London time) on the Record Date as may be selected by the Directors of the Company ("the Selected Rate");
- (c) the sum standing in the books of the Company as a result of such conversion ("the US Dollar Reserve") be applied in paying up Dollar Shares in full at par in accordance with paragraph 11.2(e) of this Resolution 11, provided that, if there would otherwise be any amount remaining in the US Dollar Reserve once as many as possible Dollar Shares have been paid up in full at par, one of such Dollar Shares be paid up at a premium equal to such amount;

- (d) there be converted into US dollars at the Selected Rate and capitalised in accordance with paragraph 11.2(e) of this Resolution 11 such part of the share premium account of the Company ("the US Dollar Share Premium") as is necessary to pay up in full at par such number of Dollar Shares so that when it is added to the number of Dollar Shares to be paid up by application of the US Dollar Reserve, the aggregate number of Dollar Shares to be paid up pursuant to this Resolution 11 is equal to the Requisite Number;
- (e) each of the US Dollar Reserve and the US Dollar Share Premium be separately applied so as to pay up in aggregate the Requisite Number of Dollar Shares, such shares to be allotted and issued credited as fully paid to the holders of Sterling Shares in the register of members of the Company at the close of business on the Record Date on the basis of one Dollar Share for each Sterling Share then held;
- (f) as an exception to Article 17, unless the Directors decide otherwise, no new share certificates be completed and delivered in respect of the Dollar Shares to be issued pursuant to paragraph 11.2(e) of this Resolution 11; and
- (g) for the period ending on the date of the Annual General Meeting in 1999 or 15 July 1999, whichever is the earlier, the Directors be and are hereby authorised and empowered pursuant to Article 11(B) of the Articles of Association:

(i) to allot relevant securities up to an aggregate nominal amount of \$6,000,000,000 (the Section 80 amount), and

(ii) to allot equity securities wholly for cash:

(a) in connection with a rights issue; and

(b) otherwise than in connection with a rights issue up to an aggregate nominal amount of \$244,000,000 (the Section 89 amount),

this authority to be in substitution for that granted to the Directors at the Annual General Meeting of the Company held on 16 April 1998;

11.3 for the purposes of this Resolution:

- (a) "Dollar Shares" means ordinary shares of \$0.50 each in the capital of the Company;
- (b) "Requisite Number" means the number of Sterling Shares in issue at the close of business on the Record Date; and
- (c) "Record Date" means the business day immediately prior to the date on which the reduction of capital proposed to be effected by this Resolution 11 becomes effective; and

11.4 the Articles of Association of the Company be and are hereby amended as set out in Schedule B to this Notice of Extraordinary General Meeting."

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"SCHEDULE B TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING

1 Article 2: After the definition of "Paid", insert the following line:

"US dollars The lawful currency of the United States of America".

2 Article 3(A): Delete the first sentence in this article and replace with:

"The share capital of the Company at the date of the adoption of this Article is (pound)12,750,000 (divided into 7,250,000 8 per cent. Cumulative Preference Shares of (pound)1 each (of which 7,232,838 have been issued and are fully paid and 17,162 are unissued) and 5,500,000 9 per cent. Cumulative Second Preference Shares of (pound)1 each (of which 5,473,414 have been issued and are fully paid and 26,586 are unissued)) and \$6,000,000,000 divided into 12,000,000,000 Ordinary Shares of \$0.50 each".

3 Article 11(C)(vii): Delete the words "foreign currency" and replace with the words "a currency other than US dollars or sterling".

4 Article 61(A): Delete the word "25p" and replace with the word "\$0.50".

4 At an Extraordinary General Meeting held on 1st September 1999 the following Special Resolution was passed:

"THAT the Articles of Association of the Company be and are hereby amended as set out in Schedules A and B to this Notice of Extraordinary General Meeting, such amendments to take effect from the dates set out in such schedules."

"SCHEDULE B TO THE NOTICE OF EXTRAORDINARY GENERAL MEETING

A With effect from the date on which the New BP Amoco Ordinary Shares are admitted to the Official List of the London Stock Exchange:

1 Article 3(A): in the first sentence, delete the figure "12,000,000,000" and replace with the figure "24,000,000,000" or, if the amendment set out in Paragraph B 2(ii) below has come into effect, delete the figure "18,000,000,000" and replace with the figure "36,000,000,000".

2 Article 3(A): in the first sentence, delete the word "US\$0.50" and replace with the word "US\$0.25".

3 Article 61(A): delete the word "US\$0.50" and replace with the word "US\$0.25".

B With effect from the date upon which the Merger Agreement becomes unconditional not having been terminated in accordance with its terms:

1 Article 3(A): in the first sentence, delete the word "US\$6,000,000,000" and replace with the word "US\$9,000,000,000".

2 Article 3(A): in the first sentence:

(i) if the subdivision has occurred, delete the figure "24,000,000,000" and replace with the figure "36,000,000,000"; or

(ii) if the subdivision has not occurred, delete the figure "12,000,000,000" and replace with the figure "18,000,000,000".

Resolutions passed 30th April 1987, 21st September 1987, 28th April 1988, 27th April 1989, 26th April 1990, 18th April 1991, 16th April 1992, 15th April 1993, 7th April 1994, 13th April 1995, 11th April 1996, 10th April 1997, 16th April 1998, 25th November 1998, 15th April 1999 and 1st September 1999.

Preliminary

1 The regulations in Table A in the Companies (Tables A to F) Regulations 1985 and in any Table A applicable to the Company under any former enactment relating to companies shall not apply to the Company.

2 In these presents (if not inconsistent with the subject or context) the words and expressions set out in the first column below shall bear the meanings set opposite to them respectively:-

The Act	The Companies Act 1985
The Statutes	The Act and every other Statute for the time being in force concerning companies and affecting the Company
These presents	These Articles of Association as from time to time altered
Office	The registered office of the Company for the time being
Other Resolutions	All Resolutions of a procedural nature (such as a Resolution on a mere clerical amendment to correct a patent error in a Substantive Resolution, a Resolution on adjournment of meeting or a Resolution on choice of a Chairman
Transfer Office	The place where the Register of Members is situate for the time being
Seal	The Common Seal of the Company
Securities Seal	An official seal kept by the Company by virtue of Section 40 of the Act
Sterling	The lawful currency of the United Kingdom
Substantive Resolutions	All Resolutions which are not Other Resolutions
The London Stock Exchange	The London Stock Exchange Limited
The United Kingdom	Great Britain and Northern Ireland
Electronic mail	Includes any electronic transmission in any form through any medium
Month	Calendar month
Year	Calendar year
In writing	Written or produced by any

Paid

Paid or credited as paid

US dollars

The lawful currency of the
United States of America

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The word "Act" as related to a particular year refers to the Companies Act of that year.

The expression "Approved Depositary" shall mean a custodian or other person (or a nominee for such custodian or other person) appointed under contractual arrangements with the Company or other arrangements approved by the Directors whereby such custodian or other person or nominee holds or is interested in shares of the Company or rights or interests in shares of the Company and issues securities or other documents of title or otherwise evidencing the entitlement of the holder thereof to or to receive such shares, rights or interests, provided and to the extent that such arrangements have been approved by the Directors for the purpose of these presents and shall include, where approved by the Directors, the trustees (acting in their capacity as such) of any Employees' Share Scheme established by the Company or any other scheme or arrangements principally for the benefit of employees of the Company and/or its subsidiaries which has been approved by the Company in general meeting.

The expressions "debenture" and "debenture holder" shall respectively include "debenture stock" and "debenture stockholder".

The expression "Designated Shares" shall mean fully paid shares in a body corporate (which both immediately before and after the distribution hereafter referred to is a subsidiary of the Company) which have been distributed by the Company pursuant to Article 120 and which, at or before the record date for the purpose of determining entitlement to receipt of such distribution, are designated by the Directors to be "Designated Shares" for the purposes of Article 37(A) and any further shares of the same class which may, with the prior consent of the Company, be allotted by such body corporate after such distribution, provided that the Directors may at any time after such distribution declare such shares no longer to be "Designated Shares" for the purposes of such Article by giving not less than 15 days prior notice thereof to the London Stock Exchange, and provided further that there shall not at anytime be more than one class of shares constituting Designated Shares.

The expression "Designated Subsidiary" shall mean the body corporate referred to in the definition of "Designated Shares".

The expression "Employees' Share Scheme" bears the meaning ascribed thereto by Section 743 of the Act.

The expression "Secretary" shall include any person appointed by the Directors to perform any of the duties of the Secretary and where two or more persons are appointed to act as Joint Secretaries shall include any one of these persons.

The expression "Stock Exchange Nominee" bears the meaning ascribed thereto by Section 185 of the Act.

The word "subsidiary" bears the meaning ascribed thereto by Section 736 of the Act and shall bear such meaning notwithstanding any provision contained in these presents which would otherwise require the reference to the said Section of the Act to be construed as relating to any statutory modification or re-enactment thereof.

All such of the provisions of these presents as are applicable to paid-up shares shall apply to stock, and the words "share" and "shareholder" shall be construed accordingly.

Words denoting the singular shall include the plural and vice versa. Words denoting the masculine shall include the feminine. Words denoting persons shall include bodies corporate and unincorporate. References to any statute or statutory provision shall be construed as relating to any statutory modification or re-enactment thereof for the time being in force.

Subject as aforesaid any words or expressions defined in the Act shall (if not inconsistent with the subject or context) bear the same meanings in these presents.

A Special or Extraordinary Resolution shall be effective for any purpose for which an Ordinary Resolution is expressed to be required under any provision of these presents or the Statutes and where for any purpose an Extraordinary Resolution is required a Special Resolution shall be effective.

SHARE CAPITAL

3 (A) The share capital of the Company at the date of the adoption of this Article is (pound)12,750,000 (divided into 7,250,000 8 per cent. Cumulative Preference Shares of (pound)1 each (of which 7,232,838 have been issued and are fully paid and 17,162 are unissued) and 5,500,000, 9 per cent. Cumulative Second Preference Shares of [sterling] 1 each (of which 5,473,414 have been issued and are fully paid and 26,586 are unissued)) and *US\$6,000,000,000 divided into *24,000,000,000 Ordinary Shares of US\$0.25 each. The 8 per cent. Cumulative Preference Shares (hereinafter called "the First Preference Shares") and the 9 per cent. Cumulative Second Preference Shares (hereinafter called "the Second Preference Shares") had attached thereto respectively on 5th April 1973 the rights as regards participation in the profits and assets of the Company set out below (and have attached thereto at the date of the adoption of these presents such rights as modified or affected by the provisions of paragraph 18 of Schedule 23 to the Finance Act 1972 and Section 46 of the Finance Act 1976):-

*with effect from the date upon which the agreement and plan of merger dated 31 March 1999 between BP Amoco, ARCO and Prairie Holdings becomes unconditional, the Ordinary share capital of the Company will increase to US\$9,000,000,000 divided into 36,000,000,000 Ordinary Shares of US\$0.25 each.

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(i) the First Preference Shares, together with any further shares hereafter issued ranking *pari passu* therewith pursuant to the provisions hereinafter contained, entitle the holders to a fixed cumulative preferential dividend on the amounts paid up thereon at the rate of 8 per cent. per annum, and on a return of assets of the Company on winding up to have the assets of the Company available for distribution amongst the members applied in the first place in paying to them (a) the amounts paid up on such First Preference Shares, (b) a sum equal to any arrears or deficiency of the fixed cumulative preferential dividend on such First Preference Shares, such arrears or deficiency to be calculated down to the date of the commencement of the winding up, and (c) a sum equal to 10 per cent. on the amounts paid up on the First Preference Shares, or to the average premium above par at which the First Preference Shares have during the six months before the commencement of the winding up been dealt in on the market (such average premium to be certified by the Secretary of the London Stock Exchange), whichever sum is the greater, but the holders of the First Preference Shares shall not be entitled in respect thereof to any further or other participation in the profits or assets of the Company.

(ii) the Second Preference Shares, together with any further shares

hereafter issued ranking pari passu therewith pursuant to the provisions hereinafter contained, entitle the holders to a fixed cumulative preferential dividend on the amounts paid up thereon (payable next after the dividend on the First Preference Shares, but in priority to any dividend on the Ordinary Shares) at the rate of 9 per cent. per annum, and on a return of assets of the Company on winding up to have the assets of the Company available for distribution amongst the members and remaining after making to the holders of the First Preference Shares the payments to which they are entitled, applied in the next place in paying to the holders of the Second Preference Shares (a) the amounts paid up on such Second Preference Shares, (b) a sum equal to any arrears or deficiency of the fixed cumulative preferential dividend on such Second Preference Shares, such arrears or deficiency to be calculated down to the date of the commencement of the winding up, and (c) a sum equal to 10 per cent. on the amounts paid up on the Second Preference Shares, or to the average premium above par at which the Second Preference Shares have during the six months before the commencement of the winding up been dealt in on the market (such average premium to be certified by the Secretary of the London Stock Exchange), whichever sum is the greater, but the holders of the Second Preference Shares shall not be entitled in respect thereof to any further or other participation in the profits or assets of the Company.

(B) Unless otherwise expressly resolved by the Company in General Meeting, further shares may be created and issued (without any further sanction or approval by the Company in General Meeting or by any class of members thereof pursuant to Article 4) as First Preference Shares ranking pari passu with the First Preference Shares in the present capital, provided that the total nominal amount of such First Preference Shares at any one time in issue shall not exceed [sterling] 10,000,000, or as Second Preference Shares ranking pari passu with the Second Preference Shares in the present capital, provided that the total nominal amount of such Second Preference Shares at any one time in issue shall not exceed [sterling] 10,000,000.

(C) Subject as aforesaid no new shares entitled to rank pari passu with or to any preference over the existing First and Second Preference Shares shall be issued by the Company without the sanction of an Extraordinary Resolution of the holders of such Preference Shares passed at a meeting held under the conditions hereinafter contained.

VARIATION OF RIGHTS

4 The holders of any class of shares may at any time and from time to time, and whether before or during liquidation, by an Extraordinary Resolution passed at a meeting of such holders, consent on behalf of all the holders of shares of the class to the issue or creation of any shares ranking equally therewith, or having any priority thereto, or to the abandonment of any preference or priority or of any accrued dividend, or the reduction for any time or permanently of the dividends payable thereon, or to the amalgamation into one class of the shares of any two or more classes or to the sub-division of shares of one class into shares of different classes, or any alteration in these presents varying or taking away any rights or privileges attached to shares of the class, or to any scheme for the reduction of the Company's capital affecting the class of shares in a manner not otherwise authorised by these presents, or to any scheme for the distribution (though not in accordance with legal rights) of assets in money or in kind in or before liquidation, or to any contract for the sale of the whole or any part of the Company's property or business determining the way in which as between the several classes of shareholders the purchase consideration shall be distributed, and generally consent to any alteration, contract, compromise or arrangement which the persons voting thereon could if sui juris and holding all the shares of the class consent to or enter into, and such Resolution shall be binding upon all the holders of shares of the class.

5 Any meeting for the purpose of the last preceding Article shall be convened and conducted in all respects as nearly as possible in the same way as an

Extraordinary General Meeting of the Company provided that no member, not being a Director, shall be entitled to notice thereof or to attend thereat, unless he be a holder of shares of the class intended to be affected by the Resolution, and that no vote shall be given except in respect of a share of that class, and that the quorum at any such meeting shall (subject to the provisions as to an adjourned meeting hereinafter contained) be persons holding or representing by proxy one-tenth of the issued shares of that class (as regards the First Preference Shares and the Second Preference Shares) and one-third of the issued shares of that class (as regard all other classes of share), and that at any such meeting a poll may be demanded in writing by not less than five members present in person or by proxy and entitled to vote.

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ALTERATION OF SHARE CAPITAL

6 The Company may from time to time by Ordinary Resolution increase its capital by such sum to be divided into shares of such amounts as the Resolution shall prescribe. All new shares shall be subject to the provisions of the Statutes and of these presents with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture and otherwise.

7 (A) The Company may by Ordinary Resolution:-

(i) consolidate and divide all or any of its share capital into shares of larger amount than its existing shares;

(ii) cancel any shares which, at the date of the passing of the Resolution, have not been taken, or agreed to be taken, by any person and diminish the amount of its capital by the amount of the shares so cancelled;

(iii) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum of Association (subject, nevertheless, to the provisions of the Statutes), and so that the Resolution whereby any share is sub-divided may determine that, as between the holders of the shares resulting from such sub-division, one or more of the shares may, as compared with the others, have any such preferred, deferred or other special rights, or be subject to any such restrictions, as the Company has power to attach to unissued or new shares.

(B) whenever as a result of a consolidation and division or sub-division of shares any difficulty arises, the Directors may settle the matter in any manner they deem fit, and, in particular, may sell shares representing fractions to which any members would become entitled to any person (including, subject to the provisions of the Statutes, the Company) and distribute the net proceeds of sale in due proportion among those members, and the Directors may authorise some person to execute an instrument of transfer of the shares to, or in accordance with the directions of, the purchaser. The transferee shall not be bound to see to the application of the purchase money nor shall his title to the shares be affected by any irregularity in or invalidity of the proceedings relating to the sale.

8 Subject to the provisions of the Statutes the Company may purchase any of its own shares (including any redeemable shares).

9 The Company may reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner and with and subject to any incident authorised and consent required by law.

SHARES

10 Without prejudice to any special rights previously conferred on the holders of any shares or class of shares for the time being issued, any share in the

Company may be issued with such preferred, deferred or other special rights, or subject to such restrictions, whether as regards dividend, return of capital, voting or otherwise, as the Company may from time to time by Ordinary Resolution determine (or, in the absence of any such determination, as the Directors may determine) and subject to the provisions of the Statutes the Company may issue any shares which are, or at the option of the Company or the holder are liable, to be redeemed.

11 (A) Subject to the provisions of the Statutes relating to authority, pre-emption rights and otherwise and of any Resolution of the Company in General Meeting passed pursuant thereto, all unissued shares shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper.

(B) (i) Pursuant to and in accordance with Section 80 of the Act the Directors shall be generally and unconditionally authorised to exercise for each prescribed period all the powers of the Company to allot relevant securities up to an aggregate nominal amount equal to the Section 80 Amount; and

(ii) pursuant to and within the terms of the said authority the Directors shall be empowered during each prescribed period to allot equity securities wholly for cash (a) in connection with a rights issue; and (b) otherwise than in connection with a rights issue up to an aggregate nominal amount equal to the Section 89 Amount; and

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(iii) during each prescribed period the Company and its Directors by such authority and power may make offers or agreements which would or might require equity securities or other relevant securities to be allotted after the expiry of such period; and

(iv) for the purposes of this Article 11(B):-

(a) "rights issue" means an offer of equity securities open for acceptance for a period fixed by the Directors to holders of equity securities on the register on a fixed record date in proportion to their respective holdings of such securities or in accordance with the rights attached thereto but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory or as regards shares held by an Approved Depositary;

(b) "prescribed period" means any period (not exceeding 5 years on any occasion) for which the authority conferred in the case of sub-paragraph (i) is renewed by Ordinary or Special Resolution stating the Section 80 Amount, and the power conferred in the case of sub-paragraph (ii) is renewed by Special Resolution stating the Section 89 amount;

(c) "the Section 80 Amount" shall for any prescribed period be that stated in the relevant Ordinary or Special Resolution;

(d) "the Section 89 Amount" shall for any prescribed period be that stated in the relevant Special Resolution;

(e) the nominal amount of any securities shall be taken to be, in the case of rights to subscribe for or to convert any securities into shares of the Company, the nominal amount of such shares which may be allotted pursuant to such rights; and

(f) words and expressions defined in or for the purposes of Part IV of the

Act shall bear the same meanings herein.

(C) (i) The Directors may with the prior sanction of an Ordinary Resolution of the Company implement and maintain in accordance with the terms and conditions of such Resolution but otherwise as the Directors may determine from time to time a share dividend or distribution reinvestment plan or plans for the benefit of the holders of Ordinary Shares of the Company whereby such holders may be given one or more of the following options namely:

(a) instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any Ordinary Shares held by them either to invest such cash in subscribing for unissued Ordinary Shares in the capital of the Company payable in full or by instalments or in paying up in full or by instalments any unpaid or partly paid Ordinary Shares held by them on the terms of any such plan; or

(b) instead of taking the net cash amount due to them in respect of any dividend (or any part thereof) declared or payable on all or any Ordinary Shares held by them to elect to receive new Ordinary Shares in the capital of the Company credited as fully paid on the terms and conditions of any such plan; or

(c) to forego their entitlement to any dividend (or any part thereof) declared or payable on all or any Ordinary Shares held by them and to take instead fully paid bonus Ordinary Shares on the terms and conditions of any such plan; or

(d) any other option in respect of the whole or any part of any dividend on all or any Ordinary Shares held by them as the Directors shall determine.

where in the case of any plan such as those contemplated in paragraphs (b) and (c) above, holders of Ordinary Shares are not entitled to payment of a cash dividend (otherwise than in respect of fractional entitlements), the plan may provide for them to receive allotments of Ordinary Shares credited as fully paid having a value of more than the net cash amount which would otherwise be due to them in respect of the relevant dividend but not exceeding a value equivalent to the sum of the net cash amount of the dividend together with the associated tax credit (as defined in sub-paragraph (viii) below).

(ii) The Directors may in their discretion suspend or terminate or modify in any manner not inconsistent with these presents or the sanctioning Resolution any such plan which is in operation.

(iii) For the purposes of any such plan the Directors may capitalise out of such of the sums standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or any other undistributable reserve) or any of the profits available for distribution under the provisions of the Statutes and which could otherwise have been applied in paying dividends in cash as the Directors may determine, a sum equal to the aggregate nominal amount of any Ordinary Shares to be allotted under any such plan and shall apply the same in paying up in full the appropriate number of unissued Ordinary Shares for allotment and distribution credited as fully paid up to and amongst the holders of Ordinary Shares entitled to the same. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation and may authorise any person on behalf of all the holders of Ordinary Shares entitled to the same to enter into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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(iv) No fraction of any share shall be allotted. The Directors may make such provisions as they think fit for any fractional entitlements including

provisions whereby, in whole or in part, the benefit thereof accrues to the Company and/or under which fractional entitlements are accrued and/or retained and in each case accumulated on behalf of any shareholder and such accruals or retentions are applied to the allotment (by reference to the aggregate net cash amount thereof or value equivalent to the sum of the aggregate net cash amount thereof together with the associated tax credit which it would have attracted if paid as a dividend) by way of bonus to or cash subscription on behalf of such shareholder of fully paid Ordinary Shares.

(v) The Directors shall notify the holders of Ordinary Shares of the terms and conditions of any such plan and shall make available or provide to them forms of election so that they may exercise the rights granted.

(vi) The power conferred under this Article and by any authority given by the Shareholders shall not be exercised unless the Company shall then have:-

(a) sufficient unissued shares in the capital of the Company capable of being issued as Ordinary Shares; and

(b) if any shares are to be allotted other than for cash, sufficient profits available for distribution or reserves standing to the credit of an appropriate account to give effect to the terms of any such plan.

(vii) The Directors may in their discretion on any occasion determine that any such plan shall not be made available to Ordinary Shareholders resident within or beyond specified territories or jurisdictions or in respect of Ordinary Shares held by an Approved Depositary or in respect of Ordinary Shares the dividends on which are payable or liable to be payable in a currency other than US dollars or sterling pursuant to provision made under these presents.

(viii) "Associated tax credit" means for the purposes of this Article and any plan the tax credit which would be available to the recipient of a dividend under Section 231 of the Income and Taxes Act 1988 on the assumption that such recipient is an individual resident in the UK for UK taxation purposes.

12 The Company may exercise the powers of paying commissions conferred by the Statutes to the full extent thereby permitted. The Company may also on any issue of shares pay such brokerage as may be lawful.

13 The Directors may at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder recognise a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.

14 Except as required by law, no person shall be recognised by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognise any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these presents or by law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder.

SHARE CERTIFICATES

15 Every share certificate shall be executed by the Company in such manner as the Directors may decide, which may include the use of the seal or the Securities Seal (or, in the case of shares on a branch register, an official seal for use in the relevant territory). No certificate shall be issued representing shares of more than one class. No certificate shall normally be issued in respect of shares held by a Stock Exchange Nominee.

16 In the case of a share held jointly by several persons the Company shall not

be bound to issue more than one certificate therefor and delivery of a certificate to one of the joint holders shall be sufficient delivery to all.

17 Any person (subject as aforesaid) whose name is entered in the Register of Members in respect of any shares of any one class upon the issue or transfer thereof shall (subject, in the case of issue, to the terms of the issue of any such shares) be entitled without payment to a certificate therefor (in the case of issue) within one month (or such longer period as the terms of issue shall provide) after allotment or (in the case of a transfer of fully paid shares) within fourteen days after lodgment of a transfer or (in the case of a transfer of partly paid shares) within two months after lodgment of a transfer.

18 Where some only of the shares comprised in a share certificate are transferred the old certificate shall be cancelled and a new certificate for the balance of such shares issued in lieu without charge.

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19 (A) Any two or more certificates representing shares of any one class held by any member may at his request be cancelled and a single new certificate for such shares issued in lieu without charge.

(B) If any member shall surrender for cancellation a share certificate representing shares held by him and request the Company to issue in lieu share certificates representing such shares in such proportions as he may specify, the Directors may, if they think fit, comply with such request.

(C) If a share certificate shall be damaged or defaced or alleged to have been lost, stolen or destroyed, a new certificate representing the same shares may be issued to the holder upon request subject to delivery up of the old certificate or (if alleged to have been lost, stolen or destroyed) compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit.

(D) In the case of shares held jointly by several persons any such request may be made by any one of the joint holders.

CALLS ON SHARES

20 The Directors may from time to time make calls upon the members in respect of any moneys unpaid on their shares (whether on account of the nominal value of the shares, or when permitted, by way of premium) but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the Resolution of the Directors authorising the call was passed and may be made payable by instalments.

21 Each member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.

22 If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding 15 per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest wholly or in part.

23 Any sum (whether on account of the nominal value of the share or by way of

premium) which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these presents be deemed to be a call duly made and payable on the date on which by the term of issue the same becomes payable. In case of non-payment all the relevant provisions of these presents as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.

24 The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.

25 (A) The Directors may if they think fit receive from any member willing to advance the same all or any part of the moneys (whether on account of the nominal value of the shares or by way of premium) uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish pro tanto the liability upon the shares in respect of which it is made and upon the money so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding 12 per cent. per annum) as the member paying such sum and the Directors may agree.

(B) whenever any law for the time being of any country, state or place imposes or purports to impose any immediate or future or possible liability upon the Company to make any payment or empowers any government or taxing authority or government official to require the Company to make any payment in respect of any shares registered in any of the Company's registers as held either jointly or solely by any member or in respect of any dividends, bonuses or other moneys due or payable or accruing due or which may become due or payable to such member by the Company on or in respect of any shares registered as aforesaid or for or on account or in respect of any member and whether in consequence of:-

(i) the death of such member;

(ii) the non-payment of any income tax or other tax by such member;

(iii) the non-payment of any estate, probate, succession, death, stamp, or other duty by the executor or administrator of such member or by or out of his estate; or

(iv) any other act or thing; the Company in every such case:-

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(a) shall be fully indemnified by such member or his executor or administrator from all liability; and

(b) may recover as a debt due from such member or his executor or administrator wherever constituted or residing any monies paid by the Company under or in consequence of any such law together with interest thereon at the rate of 15 per cent. per annum thereon from date of payment to date of repayment. Nothing herein contained shall prejudice or affect any right or remedy which any law may confer or purport to confer on the Company and as between the company and every such member as aforesaid, his executor, administrator, and estate wheresoever constituted or situate, any right or remedy which such law shall confer or purport to confer on the Company shall be enforceable by the Company.

FORFEITURE AND LIEN

26 If a member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any

expenses incurred by the Company by reason of such non-payment.

27 The notice shall name a further day (not being less than seven days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be forfeited.

28 If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be forfeited by a Resolution of the Directors to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be forfeited hereunder.

29 A share so forfeited or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit and at any time before a sale, re-allotment or disposition the forfeiture or surrender may be cancelled on such terms as the Directors think fit. The Directors may, if necessary, authorise some person to transfer a forfeited or surrendered share to any such other person as aforesaid.

30 A member whose shares have been forfeited or surrendered shall cease to be a member in respect of the shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of the shares with interest thereon at 15 per cent. Per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of the shares at the time of forfeiture or surrender or waive payment in whole or in part.

31 The Company shall have a first and paramount lien on every share (not being a fully paid share) for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such share and the Company shall also have a first and paramount lien on every share (not being a fully paid share) standing registered in the name of a single member for all the debts and liabilities of such member or his estate to the Company whether the same shall have been incurred before or after notice to the Company of any equitable or other interest of any person other than such member and whether the period for the payment or discharge of the same shall have actually arrived or not and notwithstanding that the same are joint debts or liabilities of such member or his estate and any other person, whether a member of the Company or not. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article.

32 The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of 14 days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of the holder's death or bankruptcy.

33 The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities in respect whereof the lien exists so far as the same are then payable and any residue shall (subject to a like lien for debts or liabilities not presently payable as existed upon the shares prior to the sale) be paid to the person

entitled to the shares at the time of the sale. For the purpose of giving effect to any such sale the Directors may authorise some person to transfer the shares sold to the purchaser.

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34 A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly forfeited or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt of the Company for the consideration (if any) given for the share on the sale, re-allotment or disposal thereof together with the share certificate delivered to a purchaser or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share and shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

TRANSFER OF SHARES

35 All transfers of shares, other than shares represented by share warrants to bearer, may be effected by transfer in writing in any usual or common form or in any other form acceptable to the Directors and may be under hand only. The instrument of transfer shall be signed by or on behalf of the transferor and (except in the case of fully paid shares) by or on behalf of the transferee. The transferor shall remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.

36 The registration of transfers may be suspended at such times and for such periods as the Directors may from time to time determine and either generally or in respect of any class of shares. The Register of Members shall not be closed for more than 30 days in any year.

37 (A) The Directors may, in their absolute discretion and without giving any reason, refuse to register the transfer of a share which is not fully paid and shall (for so long as there is in issue any Designated Share) decline to register the transfer of any Ordinary Share unless there is produced to the Directors such evidence as they may in their discretion require to ensure that on the same occasion there is being transferred to the same person one Designated Share for every Ordinary Share included in such transfer. For so long as there is in issue any Designated Share, every transfer of one or more Ordinary Shares shall, except so far as otherwise stated on the instrument of transfer, constitute a transfer of the same number of Designated Shares provided that, where any such shares are admitted to the Official List of the London Stock Exchange, such discretion may not be exercised in such a way as to prevent dealings in the shares of that class from taking place on an open and proper basis. The Directors may also refuse to register a transfer of shares (whether fully paid or not) in favour of more than four persons jointly.

(B) If the Directors refuse to register a transfer they shall within two months after the date on which the transfer was lodged with the Company, or ten days after the Directors have determined to refuse such transfer, whichever is the earlier, send to the transferee notice of the refusal.

38 The Directors may decline to recognise any instrument of transfer unless the instrument of transfer is in respect of only one class of share and is lodged at the Transfer Office accompanied by the relevant share certificate(s) and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer (and, if the instrument of transfer is executed by some other person on his behalf, the authority of that person so to do). In

the case of a transfer by a Stock Exchange Nominee the lodgment of share certificates will only be necessary if and to the extent that certificates have been issued in respect of the shares in question.

39 All instruments of transfer which are registered may be retained by the Company.

40 No fee will be charged by the Company in respect of the registration of any instrument of transfer or probate or letters of administration or certificate of marriage or death or stop notice or power of attorney relating to or affecting the title to any shares.

41 The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all dividend mandates and notifications of change of address at any time after the expiration of two years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of one year from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the register purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document herein before mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, provided always that:-

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(i) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;

(ii) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article;

(iii) references herein to the destruction of any document include references to the disposal thereof in any manner.

TRANSMISSION OF SHARES

42 In the case of the death of a shareholder, the survivors or survivor where the deceased was a joint holder, and the executors or administrators of the deceased where he was a sole or only surviving holder, shall be the only persons recognised by the Company as having any title to his interest in the shares, but nothing in this Article shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.

43 Any person becoming entitled to a share in consequence of the death or bankruptcy of a member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share either be registered himself as holder of the share upon giving to the Company notice in writing of his desire to be registered as holder or transfer such share to some other person. All the limitations, restrictions and provisions of these presents relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the member had not occurred and the notice or transfer were a transfer executed by such member.

44 Save as otherwise provided by or in accordance with these presents, a person

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becoming entitled to a share in consequence of the death or bankruptcy of a member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to meetings of the Company until he shall have been registered as a member in respect of the share.

UNTRACED SHAREHOLDERS

45 (A) The Company shall be entitled to sell the shares of a member or the shares to which a person is entitled by virtue of transmission on death or bankruptcy if and provided that:-

(i) during the period of 12 years prior to the date of the publication of the advertisements referred to in paragraph (ii) below (or, if published on different dates, the later thereof) at least three dividends have become payable on or in respect of the shares in question but all dividends or other moneys payable on or in respect of such shares during such period remain unclaimed; and

(ii) the Company shall have inserted advertisements, both in a leading London newspaper and in a newspaper circulating in the area of the address at which service of notices upon such member or other person may be effected in accordance with these presents (or, if there be no such address the Office), giving notice of its intention to sell the said shares; and

(iii) during the said period of 12 years and the period of three months following the publication of the said advertisements the Company shall have received indication neither of the whereabouts nor of the existence of such member or person; and

(iv) notice shall have been given to the London Stock Exchange of its intention to make such sale.

(B) To give effect to any such sale the Company may appoint some person to execute as transferor an instrument of transfer of the said shares and such instrument of transfer shall be as effective as if it had been executed by the registered holder of or person entitled by transmission to such shares and the title of the transferee shall not be affected by any irregularity or invalidity in the proceedings relating thereto. The net proceeds of sale shall belong to the Company which shall be obliged to account to the former member or other person previously entitled as aforesaid for an amount equal to such proceeds and shall enter the name of such former member or other person in the books of the Company as a creditor for such amount. No trust shall be created in respect of the debt, no interest shall be payable in respect of the same and the Company shall not be required to account for any money earned on the net proceeds, which may be employed in the business of the Company or invested in such investments (other than shares of the Company or its holding company if any) as the Directors may from time to time think fit.

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GENERAL MEETINGS

46 An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. All General Meetings shall be held in England.

47 (A) The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes proceed with proper expedition to convene an

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(B) The provisions of these presents relating to General Meetings shall apply, with necessary modifications, to any separate meeting of the holders of shares of a particular class which is convened otherwise than in connection with the variation or abrogation of the rights attached to shares of that class.

NOTICE OF GENERAL MEETINGS

48 (A) An Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a Resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing (including, subject to the provisions of the Statutes, electronic mail) at the least and any other Extraordinary General Meeting by fourteen days' notice in writing (including, subject to the provisions of the Statutes, electronic mail) at the least. The period of notice shall in each case be exclusive of the day on which the notice is served or deemed to be served and of the day on which the meeting is to be held and shall be given in manner hereinafter mentioned to all members other than such as are not under the provisions of these presents entitled to receive such notices from the Company, provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:-

(i) in the case of an Annual General Meeting by all the members entitled to attend and vote thereat; and

(ii) in the case of an Extraordinary General Meeting by a majority in number of the members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. in nominal value of the shares giving that right. The accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting.

(B) The Directors may, for the purpose of facilitating the organisation and administration of any General Meeting, from time to time make such arrangements whether involving the issue of tickets (on a basis intended to afford to all members and proxies otherwise entitled to attend such meeting an equal opportunity of being admitted to the meeting) or the imposition of some random means of selection or otherwise as they shall in their absolute discretion consider to be appropriate, and may from time to time vary any such arrangements or make new arrangements in place thereof and the entitlement of any member or proxy to attend a General Meeting at such place shall be subject to such arrangements as may be for the time being in force and by the notice of meeting stated to apply to that meeting. In the case of any General Meeting to which such arrangements apply the Directors shall, and in the case of any other General Meeting the Directors may, when specifying the place of the General Meeting, direct that the meeting shall be held at a place specified in the notice at which the chairman of the meeting shall preside ("the Principal Place") and make arrangements for simultaneous participation at other places by members and proxies otherwise entitled to attend the General Meeting but excluded therefrom under the provisions of this Article or who wish to attend at any of such other places provided that persons attending at the Principal Place and at any of such other places shall be able to see and hear and be seen and heard by persons attending at the Principal Place and at such other places. Such arrangements for simultaneous attendance may include arrangements regarding the level of attendance as aforesaid at such other places provided that they shall operate so that any such excluded members and proxies as aforesaid are able to attend at one of such other places. For the purposes of all other provisions of these presents any such meeting shall be treated as being held and taking place at the Principal Place and under no circumstance will a failure for any reason of communication equipment or otherwise in respect of the arrangements for simultaneous attendance and participation at any other place affect the validity

of such meeting at the Principal Place, any business conducted thereat or any action taken pursuant thereto.

49 (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a member entitled to attend and vote is entitled to appoint a proxy or proxies to attend, speak and vote instead of him and that a proxy need not be a member of the Company.

(B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.

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(C) In the case of any General Meeting at which business other than routine business is to be transacted, the notice shall specify the general nature of such business; and if any Resolution is to be proposed as an Extraordinary Resolution or as a Special Resolution, the notice shall contain a statement to that effect.

(D) For the purposes of determining which persons are entitled to attend or vote at a meeting and how many votes such persons may cast, the Company may specify in the notice of the meeting a time, not more than 48 hours before the time fixed for the meeting, by which a person who holds shares in registered form must be entered on the Register in order to have the right to attend or vote at the meeting or to appoint a proxy to do so.

50 Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:-

- (i) declaring dividends;
- (ii) receiving and/or adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
- (iii) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
- (iv) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
- (v) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed.

PROCEEDINGS AT GENERAL MEETINGS

51 Subject to Article 138, the Chairman of the Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair) the members present shall choose one of their number to be chairman of the meeting.

52 No business other than the appointment of a chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Five members present in person or by proxy and entitled to vote shall be a quorum for all purposes.

53 If within five minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of members, shall be

dissolved. In any other case it shall stand adjourned to such other day and such time and place as may have been specified for the purpose in the notice convening the meeting or (if not so specified) as the chairman of the meeting may determine and in the latter case not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting. At the adjourned meeting any two members present in person or by proxy shall be a quorum.

54 The chairman of any General Meeting at which a quorum is present may with or without the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or sine die) and from place to place, and if it appears to the chairman that it is likely to be impracticable to hold or continue the meeting because of the numbers of members and proxies wishing to attend the meeting who are not present he may adjourn the meeting to another time and place (or sine die) without the need for any such consent, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a meeting is adjourned sine die, the time and place for the adjourned meeting shall be fixed by the Directors. When a meeting is adjourned for thirty days or more or sine die, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.

55 Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

56 If an amendment shall be proposed to any Resolution under consideration but shall in good faith be ruled out of order by the chairman of the meeting the proceedings on the substantive Resolution shall not be invalidated by any error in such ruling. In the case of a Resolution duly proposed as a Special or Extraordinary Resolution no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.

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57 At any General Meeting all Substantive Resolutions put to the vote of the meeting shall be decided on a poll and all Other Resolutions put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:-

- (i) the chairman of the meeting, or
- (ii) not less than five members present in person or by proxy and entitled to vote; or
- (iii) a member or members present in person or by proxy and representing not less than one-tenth of the total voting rights of all the members having the right to vote at the meeting; or
- (iv) a member or members present in person or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right. The chairman of the meeting shall use his absolute discretion to determine whether a resolution is an Other Resolution or a Substantive Resolution and his decision shall be final.

58 A demand for a poll may be withdrawn only with the approval of the meeting. A demand so withdrawn shall not be taken to have invalidated the result of a show of hands on an Other Resolution declared before the demand was made. Unless a poll is required or demanded a declaration by the chairman of the meeting that

an Other Resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such Resolution. If a poll is required or demanded, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the Resolution of the meeting at which the poll was demanded. The chairman of the meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to someplace and time fixed by him for the purpose of declaring the result of the poll.

59 In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.

60 A poll demanded on the choice of a chairman or on a question of adjournment shall be taken forthwith. A poll demanded on any other question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the meeting) and place as the chairman may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

61 (A) Subject to Articles 49(D) and 63 and to any special rights or restrictions as to voting attached to any class of shares, on a show of hands every member who is present in person and every person present who has been duly appointed as a proxy shall have one vote and on a poll every member who is present in person or by proxy shall have two votes for every [sterling] 5 in nominal amount of the First Preference Shares and Second Preference Shares and one vote for every US\$0.25 in nominal amount of all other shares of which he is the holder or in respect of which his appointment as proxy has been made.

(B) In the case of joint holders of a share the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members in respect of the share.

62 Where in England or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or other person on behalf of such member to vote in person or by proxy at any General Meeting or to exercise any other right conferred by membership in relation to meetings of the Company.

63 No member shall, unless the Directors otherwise determine, be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to meetings of the Company if any call or other sum presently payable by him to the Company in respect of such shares remains unpaid.

64 No objection shall be raised as to the admissibility of any vote except at the meeting or adjourned meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the meeting whose decision shall be final and conclusive.

65 On a poll votes may be given either personally or by proxy and a person

entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.

66 A proxy need not be a member of the Company.

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67 (A) Subject to Article 68(B), an instrument appointing a proxy shall be in writing in any usual or common form or in any other form which the Directors may approve and:-

- (i) in the case of an individual shall be signed by the appointor or his attorney; and
- (ii) in the case of a corporation shall be either given under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. The signature on such instrument need not be witnessed. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument may be treated as invalid.

(B) A proxy may also be appointed in accordance with Articles 145, 147 and 150.

68 (A) An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for the purpose in or by way of note to or in any document accompanying the notice convening the meeting (or, if no place is so specified, at the Transfer Office) not less than forty-eight hours (or such shorter time as the Directors may determine) before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates, provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.

(B) Subject to the provisions of the Statutes, the Directors may allow a proxy to be appointed in electronic form, by telephone or by facsimile, subject to any limitations, conditions or restrictions that they decide and Article 67(A) shall not apply in relation to an instrument appointing a proxy delivered in this way. The Directors may establish such procedures as they deem appropriate to receive and verify the validity and acceptance of proxy appointments delivered in such manner.

69 (A) An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and shall confer the right to speak at a meeting.

(B) A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made, provided that no intimation in writing of such death, insanity or revocation (which revocation may also be effected electronically or by telephone) shall have been received by the Company at the Transfer Office 48 hours or such lesser time as the Directors may determine before the commencement of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the

vote is cast. The Directors may establish such procedures as they deem appropriate to receive and verify the validity and acceptance of the revocation of proxy.

DISCLOSURE OF INTERESTS

70 (A) If any member, or any other person appearing to be interested in shares held by such member, has been duly served with a notice under Section 212 of the Act and is in default for the Prescribed Period in supplying to the Company the information thereby required, then the Directors may in their absolute discretion at any time thereafter by notice (a "Direction Notice") to such member direct that in respect of the shares in relation to which the default occurred (the "Default Shares") (which expression shall include any further shares which are issued in respect of such shares) the member shall not (for so long as the default continues) nor shall any transferee to whom any of such shares are transferred (other than pursuant to an approved transfer or pursuant to Article 70(C) below) be entitled to vote either personally or by proxy at a General Meeting of the Company or a meeting of the holders of any class of shares of the Company or to exercise any other right conferred by membership in relation to General Meetings of the Company or meetings of the holders of any class of shares of the Company.

(B) The Company shall send to each other person appearing to be interested in the shares the subject of any Direction Notice a copy of the said Notice, but the failure or omission by the Company to do so shall not invalidate such Direction Notice.

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(C) where the Default Shares represent at least 0.25 per cent. of the issued shares of that class then the Direction Notice may additionally direct:-

(i) that any cash dividend or other money which would otherwise be payable in respect of each of the Default Shares shall (in whole or any part thereof) be retained by the Company without any liability to pay interest thereon when such dividend or other money is finally paid to the member; and/or

(ii) that no transfer of any of the shares held by such member shall be registered unless:-

(a) the member is not himself in default as regards supplying the information required and the transfer is of part only of the member's holding and when presented for registration is accompanied by a certificate by the member in a form satisfactory to the Directors to the effect that after due and careful enquiry the member is satisfied that no person in default as regards supplying such information is interested in any of the shares the subject of the transfer; or

(b) the transfer is an approved transfer.

(D) where any person appearing to be interested in the Default Shares has been duly served with a Direction Notice and the Default Shares which are the subject of such Direction Notice are held by an Approved Depositary, the provisions of this Article shall be treated as applying only to such Default Shares held by the Approved Depositary and not (insofar as such person's apparent interest is concerned) to any other shares held by the Approved Depositary.

(E) where the member on which a notice under Section 212 of the Act is served is an Approved Depositary acting in its capacity as such, the obligations of the Approved Depositary as a member of the Company shall be limited to disclosing to the Company such information relating to any person appearing to be interested in the shares held by it as has been recorded by it pursuant to

the arrangements entered into by the Company or approved by the Directors pursuant to which it was appointed as an Approved Depositary.

(F) Any Direction Notice shall have effect in accordance with its terms for so long as the default in respect of which the Direction Notice was issued continues and (unless the Directors otherwise determine) for a period of one week thereafter but shall cease to have effect in relation to any Default Shares which are transferred by such member by means of an approved transfer. The Directors may at any time give notice cancelling a Direction Notice.

(G) For the purpose of this Article:-

(i) a person shall be treated as appearing to be interested in any shares if the member holding such shares has given to the Company a notification under the said Section 212 of the Act which either (a) names such person as being so interested or (b) fails to establish the identities of those interested in the shares and (after taking into account the said notification and any other relevant Section 212 notification) the Company knows or has reasonable cause to believe or suspects on reasonable grounds that the person in question is or may be interested in the shares;

(ii) the Prescribed Period is 28 days from the date of service of the notice under the said Section 212 except that if the Default Shares represent at least 0.25 per cent. of the issued shares of that class, the Prescribed Period is 14 days from such date; and

(iii) a transfer of shares is an approved transfer if but only if:-

(a) it is a transfer of shares to an offeror by way or in pursuance of acceptance of a take-over offer for a company (as defined in Section 428 of the Act); or

(b) the Directors are satisfied that the transfer is made pursuant to a sale of the whole of the beneficial ownership of the shares to a party unconnected with the member and with other persons appearing to be interested in such shares; or

(c) the transfer results from a sale made through a recognised investment exchange as defined in the Financial Services Act 1986 or any other stock exchange outside the United Kingdom on which the Company's shares are normally traded.

(H) Nothing contained in this Article shall limit the power of the Directors under Section 216 of the Act.

CORPORATIONS ACTING BY REPRESENTATIVES

71 Any corporation which is a member of the Company may authorise such person as it thinks fit to act as its representative at any meeting of the Company or of any class of members of the Company. A person so authorised shall be entitled to exercise the same powers on behalf of the grantor of the authority as the grantor could exercise if it were an individual member of the Company, and a person so authorised shall, if present at any such meeting, for the purposes of these presents be deemed to be a member present in person at such meeting.

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DIRECTORS

72 (A) Subject as hereinafter provided, the number of Directors shall not be less than three nor more than twenty two (or such lesser maximum as the Directors may from time to time resolve).

(B) The Company may by Ordinary Resolution from time to time vary the minimum number and/or maximum number of Directors.

73 A Director shall not be required to hold any shares of the Company by way of qualification. A Director who is not a member of the Company shall nevertheless be entitled to attend and speak at General Meetings.

74 The remuneration payable to the Directors for their services in such capacity shall be determined from time to time by Ordinary Resolution of the Company. Such amount shall be divided among the Directors as they may agree unless the resolution provides otherwise. The amount of remuneration so determined will include remuneration for serving as Chairman or Deputy Chairman and serving on committees of Directors but will not include remuneration of Directors for performing an executive office of the Company.

75 The Directors may repay to any Director all such reasonable expenses as he may incur in attending and returning from meetings of the Directors or of any committee of the Directors or General Meetings or otherwise in or about the business of the Company.

76 The Directors shall have power to pay and agree to pay pensions or other retirement, superannuation, death or disability benefits to (or to any person in respect of) any Director or ex-Director and for the purpose of providing any such pensions or other benefits to contribute to any scheme or fund or to pay premiums.

77 A Director may be party to or in any way interested in any contract or arrangement or transaction to which the Company is a party or in which the Company is in any way interested and he may hold and be remunerated in respect of any office or place of profit (other than the office of Auditor of the Company or any subsidiary thereof) under the Company or any other company in which the Company is in any way interested and he (or any firm of which he is a member) may act in a professional capacity for the Company or any such other company and be remunerated therefor and in any such case as aforesaid (save as otherwise agreed) he may retain for his own absolute use and benefit all profits and advantages accruing to him thereunder or in consequence thereof.

78 (A) The Directors may from time to time appoint one or more of their body to be the holder of any executive office on such terms (including such terms as to remuneration by way of salary, commission or otherwise) and for such period as they may (subject to the provisions of the Statutes) determine and, without prejudice to the terms of any contract entered into in any particular case, may at any time revoke any such appointment.

(B) The appointment of any Director to the office of Chairman or Deputy Chairman shall automatically determine if he ceases to be a Director but without prejudice to any claim for damages for breach of any contract of service between him and the Company.

(C) The appointment of any Director to an executive office shall not automatically determine if he ceases from any cause to be a Director, unless the contract or resolution under which he holds office shall expressly state otherwise, in which event such determination shall be without prejudice to any claim for damages for breach of any contract of service between him and the Company.

79 The Directors may entrust to and confer upon any Director holding any executive office any of the powers exercisable by them as Directors upon such terms and conditions and with such restrictions as they think fit, and either collaterally with or to the exclusion of their own powers, and may from time to time revoke, withdraw, alter or vary all or any of such powers.

80 Any provision of the Statutes which, subject to the provisions of these presents, would have the effect of rendering any person ineligible for appointment as a Director or liable to vacate office as a Director on account of his having reached any specified age or of requiring special notice or any other special formality in connection with the appointment of any Director over a specified age, shall apply to the Company.

81 The office of a Director shall be vacated in any of the following events, namely:-

- (i) if he shall become prohibited by law from acting as a Director;
- (ii) if he shall resign in writing left at the Office or if he shall in writing offer to resign and the Directors shall resolve to accept such offer;
- (iii) if he shall have a receiving order made against him or shall compound with his creditors generally;
- (iv) if in England or elsewhere an order shall be made by any court claiming jurisdiction in that behalf on the ground (however formulated) of mental disorder for his detention or for the appointment of a guardian or for the appointment of a receiver or other person (by whatever name called) to exercise powers with respect to his property or affairs.

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82 At each Annual General Meeting all those Directors who have held office for three years or more since they were elected or re-elected shall retire from office by rotation.

83 A retiring Director shall be eligible for re-election.

84 The Company at the meeting at which a Director retires under any provision of these presents may by Ordinary Resolution fill the office being vacated by electing thereto the retiring Director or some other person eligible for appointment. In default the retiring Director shall be deemed to have been re-elected except in any of the following cases:-

- (i) where at such meeting it is expressly resolved not to fill such office or a Resolution for the re-election of such Director is put to the meeting and lost;
- (ii) where such Director has given notice in writing to the Company that he is unwilling to be re-elected;
- (iii) where the default is due to the moving of a Resolution in contravention of the next following Article;
- (iv) where such Director has attained any retiring age applicable to him as Director.

The retirement shall not have effect until the conclusion of the meeting except where a Resolution is passed to elect some other person in the place of the retiring Director or a Resolution for his re-election is put to the meeting and lost and accordingly a retiring Director who is re-elected or deemed to have been re-elected will continue in office without a break.

85 A Resolution for the appointment of two or more persons as Directors by a single Resolution shall not be moved at any General Meeting unless a Resolution that it shall be so moved has first been agreed to by the meeting without any vote being given against it; and any Resolution moved in contravention of this provision shall be void.

86 No person other than a Director retiring at the meeting shall, unless recommended by the Directors for election, be eligible for appointment as a Director at any General Meeting unless not less than seven nor more than forty-two days (inclusive of the date on which the notice is given) before the date appointed for the meeting there shall have been lodged at the Office notice in writing signed by some member (other than the person to be proposed) duly qualified to attend and vote at the meeting for which such notice is given of his intention to propose such person for election and also notice in writing signed by the person to be proposed of his willingness to be elected.

87 The Company may in accordance with and subject to the provisions of the Statutes by Ordinary Resolution of which special notice has been given remove any Director from office (notwithstanding any provision of these presents or of any agreement between the Company and such Director, but without prejudice to any claim he may have for damages for breach of any such agreement) and appoint another person in place of a Director so removed from office. In default of such appointment the vacancy arising upon the removal of a Director from office may be filled as a casual vacancy.

88 The Company may by Ordinary Resolution appoint any person to be a Director either to fill a casual vacancy or as an additional Director. Without prejudice thereto the Directors shall have power at any time so to do, but so that the total number of Directors shall not thereby exceed the maximum number (if any) fixed by or in accordance with these presents. Any person so appointed by the Directors shall hold office only until the next General Meeting and shall then be eligible for re-election.

MEETINGS AND PROCEEDINGS OF DIRECTORS

89 (A) Subject to the provisions of these presents the Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.

(B) Subject always to Article 89(A), all or any of the Directors or any committee thereof may participate in a meeting of the Directors or that committee by means of a conference telephone or any communication equipment which allows all persons participating in the meeting to hear each other. Any person so participating shall be deemed to be present in person at the meeting and shall be entitled to vote or be counted in a quorum accordingly. Such a meeting shall be deemed to take place where the largest group of those participating is assembled, or, if there is no such group, where the chairman of the meeting is then present.

90 At any time any Director may, and the Secretary on the requisition of a Director shall, summon a meeting of the Directors. Any Director may waive notice of any meeting and any such waiver may be retroactive.

91 The quorum necessary for the transaction of the business of the Directors may be fixed from time to time by the Directors and unless so fixed at any other number shall be two. A meeting of the Directors at which a quorum is present shall be competent to exercise all powers and discretions for the time being exercisable by the Directors.

92 Questions arising at any meeting of the Directors shall be determined by a majority of votes. In case of an equality of votes the chairman of the meeting shall have a second or casting vote.

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93 (A) Save as herein provided, a Director shall not vote in respect of any contract or arrangement or any other proposal whatsoever in which he has any material interest otherwise than by virtue of his interests in shares or

debentures or other securities of or otherwise in or through the Company. A Director shall not be counted in the quorum at a meeting in relation to any resolution on which he is debarred from voting.

(B) Subject to the provisions of the Statutes a Director shall (in the absence of some other material interest than is indicated below) be entitled to vote (and be counted in the quorum) in respect of any resolution concerning any of the following matters, namely:-

(i) the giving of any security or indemnity to him in respect of money lent or obligations incurred by him at the request of or for the benefit of the Company or any of its subsidiaries;

(ii) the giving of any security or indemnity to a third party in respect of a debt or obligation of the Company or any of its subsidiaries for which he himself has assumed responsibility in whole or in part under a guarantee or indemnity or by the giving of security;

(iii) any proposal concerning an offer of shares or debentures or other securities of or by the Company or any of its subsidiaries for subscription or purchase in which offer he is or is to be interested as a participant in the underwriting or sub-underwriting thereof;

(iv) any proposal concerning any other company in which he is interested, directly or indirectly and whether as an officer or shareholder or otherwise howsoever, provided that he (together with persons connected with him within the meaning of Section 346 of the Act) is not the holder of or beneficially interested in one per cent. or more of the issued shares of any class of such company (or of any third company through which his interest is derived) or of the voting rights available to members of the relevant company (any such interest being deemed for the purposes of this Article to be a material interest in all circumstances);

(v) any proposal concerning the adoption, modification or operation of a superannuation fund or retirement benefits scheme or Employees' Share Scheme under which he may benefit and which has been approved by or is subject to and conditional upon approval by the Board of Inland Revenue for taxation purposes or by the Company in General Meeting;

(vi) any proposal concerning the purchase and/or maintenance of any insurance policy under which he may benefit.

(C) Where proposals are under consideration concerning the appointment (including fixing or varying the terms of appointment) of two or more Directors to offices or employments with the Company or any company in which the Company is interested, such proposals may be divided and considered in relation to each Director separately and in such case each of the Directors concerned (if not debarred from voting under paragraph (B) (iv) of this Article) shall be entitled to vote (and be counted in the quorum) in respect of each resolution except that concerning his own appointment.

(D) If any question shall arise at any time as to the materiality of a Director's interest or as to the entitlement of any Director to vote and such question is not resolved by his voluntarily agreeing to abstain from voting, such question shall be referred to the chairman of the meeting and his ruling in relation to any other Director shall be final and conclusive except in a case where the nature or extent of the interests of such Director has not been fairly disclosed.

(E) The Company may by Ordinary Resolution suspend or relax the provisions of this Article to any extent or ratify any transaction not duly authorised by reason of a contravention of this Article.

94 The continuing Directors may act notwithstanding any vacancies, but if and so long as the number of Directors is reduced below the minimum number fixed by or in accordance with these presents the continuing Directors or Director may act for the purpose of filling such vacancies or of summoning General Meetings, but not for any other purpose. If there be no Directors or Director able or willing to act, then any two members may summon a General Meeting for the purpose of appointing Directors.

95 (A) The Directors may elect from their number a Chairman and a Deputy Chairman (or two or more Deputy Chairmen) and determine the period for which each is to hold office. If no Chairman or Deputy Chairman shall have been appointed or if at any meeting of the Directors no Chairman or Deputy Chairman shall be present within five minutes after the time appointed for holding the meeting, the Directors present may choose one of their number to be chairman of the meeting.

(B) If at any time there is more than one Deputy Chairman the right in the absence of the Chairman to preside at a meeting of the Directors or of the Company shall be determined as between the Deputy Chairmen present (if more than one) by seniority in length of appointment as Deputy Chairman or otherwise as resolved by the Directors.

96 A resolution in writing signed by all the Directors shall be effective as a resolution duly passed at a meeting of the Directors held in the United Kingdom and may consist of several documents in the like form, each signed by one or more Directors. The documents may be facsimile or electronic copies of the resolution, in which case the resolution shall be effective upon receipt by the Secretary of the final document:

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97 The Directors may delegate any of their powers or discretions to committees consisting of one or more members of their body and (if thought fit) one or more other persons co-opted as hereinafter provided. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and for such co-opted members to have voting rights as members of the committee but so that (a) the number of co-opted members shall be less than one-half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless a majority of the members of the committee present at the meeting are Directors.

98 The meetings and proceedings of any such committee consisting of two or more members shall be governed mutatis mutandis by the provisions of these presents regulating the meetings and proceedings of the Directors, so far as the same are not superseded by any regulations made by the Directors under the last preceding Article.

99 All acts done by any meeting of Directors, or of any such committee, or by any person acting as a Director or as a member of any such committee, shall as regards all persons dealing in good faith with the Company, notwithstanding that there was some defect in the appointment of any of the persons acting as aforesaid, or that any such persons were disqualified or had vacated office, or were not entitled to vote, be as valid as if every such person had been duly appointed and was qualified and had continued to be a Director or member of the committee and had been entitled to vote.

BORROWING POWERS

100 (A) Subject as hereinafter provided and to the provisions of the Statutes the Directors may exercise all the powers of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, and to issue

debentures and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

(B) The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control exercisable by the Company in relation to its subsidiaries incorporated in the United Kingdom so as to secure that the aggregate amount for the time being remaining undischarged of all moneys borrowed by the Company and/or any of its subsidiaries incorporated in the United Kingdom (exclusive of moneys borrowed by the Company from and for the time being owing to any such subsidiary or by any such subsidiary from and for the time being owing to the Company or another such subsidiary) shall not, except with the consent of the Company in General Meeting, at any one time exceed:-

(i) the amount paid up on the Share Capital of the Company for the time being issued, plus

(ii) the aggregate of the sums for the time being standing to the credit of the Capital and Revenue Reserves (including Share Premium Account and Undistributed Profits but excluding amounts set aside for Taxation) of the Company and its subsidiaries incorporated in the United Kingdom as appearing in the latest audited accounts of those Companies.

(C) For the purposes of the said limits:-

(i) the issue of debentures shall be deemed to constitute borrowing notwithstanding that the same may be issued in whole or in part for a consideration other than cash;

(ii) moneys borrowed for the purpose of repaying or redeeming (with or without premium) in whole or in part any other borrowed moneys falling to be taken into account and intended to be applied for such purpose within six months after the borrowing thereof shall not during such period, except to the extent so applied, themselves be taken into account;

(iii) any amounts borrowed from bankers or others for the purpose of financing any contract up to an amount not exceeding that part of the price receivable under such contract which is guaranteed or insured by the Export Credits Guarantee Department or other like institution carrying on a similar business shall be deemed not to be borrowed moneys;

(iv) borrowed moneys expressed in or calculated by reference to a currency other than sterling shall be translated into sterling by reference to the rate of exchange used for the conversion of such currency in the latest audited balance sheet of the relevant company or, if the relevant currency was not thereby involved, by reference to the rate of exchange or approximate rate of exchange ruling on such date and determined on such basis as the Auditors may determine or approve.

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(D) No person dealing with the Company or any of its subsidiaries shall be concerned to see or enquire whether the said limit is observed and no debt incurred or security given in excess of such limit shall be invalid or ineffectual unless the lender or the recipient of the security had, at the time when the debt was incurred or security given, express notice that the said limit had been or would thereby be exceeded.

GENERAL POWERS OF DIRECTORS

101 (A) The business and affairs of the Company shall be managed by the Directors, who may exercise all such powers of the Company as are not by the Statutes or by these presents required to be exercised by the Company in General

Meeting, subject nevertheless to any regulations of these presents, to the provisions of the Statutes and to such regulations, being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by Special Resolution of the Company, but no regulation so made by the Company shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made. The general powers given by this Article shall not be limited or restricted by any special authority or power given to the Directors by any other Article.

(B) The Directors shall ensure that the head office of the Company remains in England at all times.

102 The Directors may establish any local boards or agencies for managing any of the affairs of the Company, either in the United Kingdom or elsewhere, and may appoint any persons to be members of such local boards, or any managers or agents, and may fix their remuneration, and may delegate to any local board, manager or agent any of the powers, authorities and discretions vested in the Directors, with power to sub-delegate, and may authorise the members of any local boards, or any of them, to fill any vacancies therein, and to act notwithstanding vacancies, and any such appointment or delegation may be made upon such terms and subject to such conditions as the Directors may think fit, and the directors may remove any person so appointed, and may annul or vary any such delegation, but no person dealing in good faith and without notice of any such annulment or variation shall be affected thereby.

103 The Directors may from time to time and at any time by power of attorney or otherwise appoint any company, firm or person or any fluctuating body of persons, whether nominated directly or indirectly by the Directors, to be the attorney or attorneys of the Company for such purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Directors under these presents) and for such period and subject to such conditions as they may think fit, and any such power of attorney may contain such provisions for the protection and convenience of persons dealing with any such attorney as the Directors may think fit, and may also authorise any such attorney to sub-delegate all or any of the powers, authorities and discretions vested in him.

104 Subject to and to the extent permitted by the Statutes, the Company, or the Directors on behalf of the Company, may cause to be kept in any territory a branch register of members resident in such territory, and the Directors may make and vary such regulations as they may think fit respecting the keeping of any such register.

105 All cheques, promissory notes, drafts, bills of exchange, and other negotiable or transferable instruments, and all receipts for moneys paid to the Company, shall be signed, drawn, accepted, endorsed, or otherwise executed, as the case may be, in such manner as the Directors shall from time to time by Resolution determine.

SECRETARY

106 The Secretary shall be appointed by the Directors on such terms and for such period as they may think fit. Any Secretary so appointed may at any time be removed from office by the Directors, but without prejudice to any claim for damages for breach of any contract of service between him and the Company. If thought fit two or more persons may be appointed as Joint Secretaries. The Directors may also appoint from time to time on such terms as they may think fit one or more Deputy Secretaries, Assistant Secretaries and Deputy Assistant Secretaries. A signature or attestation or certification of or on any document by a Deputy, Assistant or Deputy Assistant Secretary in that capacity shall in favour of any person dealing with the Company on the faith thereof be as effective as if it were the signature or attestation or certification of or on such document by the Secretary.

AUTHENTICATION OF DOCUMENTS

107 Any Director or the Secretary or any person appointed by the Directors for the purpose shall have power to authenticate any documents affecting the constitution of the Company and any Resolutions passed by the Company or the Directors or any committee, and any books, records, documents and accounts relating to the business of the Company, and to certify copies thereof or extracts therefrom as true copies or extracts; and where any books, records, documents or accounts are elsewhere than at the Office the local manager or other officer of the Company having the custody thereof shall be deemed to be a person appointed by the Directors as aforesaid. A document purporting to be a copy of a Resolution, or an extract from the minutes of a meeting, of the Company or of the Directors or any committee which is certified as aforesaid shall be conclusive evidence in favour of all persons dealing with the Company upon the faith thereof that such Resolution has been duly passed or, as the case may be, that any minute so extracted is a true and accurate record of proceedings at a duly constituted meeting.

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RESERVES

108 (A) After payment of the dividends upon any Preference Shares of the Company, and of a dividend of 4.2 per cent. upon the Ordinary Shares, there shall be set aside a Special Reserve Fund out of the balance of the profits of each year such sum as the Directors may determine, and no part of the moneys so set aside nor of the interest thereon shall without the sanction of an Extraordinary Resolution of the holders of the Preference Shares be applied otherwise than for the purpose of making up any deficit of cumulative dividend on the Preference Shares, or in the event of a reduction of capital or a winding up, for the purpose of repaying to the holders of the Preference Shares the amounts paid up on such shares together with the 10 per cent. referred to in sub-paragraphs (i) and (ii) of paragraph (A) of Article 3 but the same may be used by the Directors as part of the working capital of the Company. All moneys from time to time standing to the credit of the Special Reserve Fund may be invested in or upon such securities or investments as the Directors shall think fit, including the debentures of any company formed or promoted by this Company, or in which this Company shall hold shares.

(B) The Directors may from time to time set aside out of the profits of the Company and carry to a general reserve such further sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the general reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the general reserve may have been divided. The Directors may also without placing the same to reserve carry forward any profits.

(C) In carrying sums to reserve and in applying the same the Directors shall comply with the provisions of the Statutes.

THE SEAL

109 The Company may exercise the powers conferred by the Statutes with regard to having an official seal for use abroad and such powers shall be vested in the Directors.

110 (A) The Directors shall provide for the safe custody of the Seal and any Securities Seal and neither shall be used without the authority of the Directors or of a committee authorised by the Directors in that behalf.

(B) Every instrument to which the Seal shall be affixed shall be signed autographically by one Director and the Secretary or by two Directors save that as regards any certificates for shares or debentures or other securities of the Company the Directors may by resolution determine that such signatures or either of them shall be dispensed with or affixed by some method or system of mechanical signature.

(C) The Securities Seal shall be used only for sealing securities issued by the Company and documents creating or evidencing securities so issued. Any such securities or documents sealed with the Securities Seal shall not require to be signed.

(D) Where the Statutes so permit, any instrument signed by one Director and the Secretary or by two Directors and expressed to be executed by the Company shall have the same effect as if executed under the Seal, provided that no instrument shall be so signed which makes it clear on its face that it is intended by the person or persons making it to have effect as a deed without the authority of the Directors or of a committee authorised by the Directors in that behalf.

DIVIDENDS

111 (A) The Company may by Ordinary Resolution declare dividends but no such dividend shall exceed the amount recommended by the Directors.

(B) In the period to 31 December 2003, the Directors shall announce any dividends on Ordinary Shares in US dollars together with a sterling equivalent for any such dividend which shall be determined in accordance with Article 113(C) below.

(C) Holders of Ordinary Shares shall be entitled to be paid dividends in sterling.

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112 If and so far as in the opinion of the Directors the profits of the Company justify such payments, the Directors may declare and pay the fixed dividends on any class of shares carrying a fixed dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time pay interim dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

113 (A) Unless and to the extent that the rights attached to any shares, the terms of issue thereof or these presents otherwise provide, all dividends shall (as regards any shares not fully paid throughout the period in respect of which the dividend is paid) be apportioned and paid pro rata according to the amounts paid on the shares during any portion or portions of the period in respect of which the dividend is paid. For the purposes of this Article no amount paid on a share in advance of calls shall be treated as paid on the share.

(B) The Directors may at their discretion make provisions to enable an Approved Depositary and/or any other member to receive dividends duly payable in a currency or currencies other than sterling.

(C) For the purposes of the calculation of the amount receivable in respect of any dividend, the rate of exchange to be used to determine the relevant currency equivalent of any sum payable as a dividend shall be such market rate (whether spot or forward) selected by the Directors as they shall consider appropriate ruling at the close of business in London on the date which is the business day last preceding (a) in the case of a dividend to be declared by the Company in general meeting, the date on which the Directors publicly announce their intention to recommend that specific dividend and

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(b) in the case of any other dividend, the date on which the Directors publicly announce their intention to pay that specific dividend. Provided that where the Directors consider the circumstances to be appropriate they shall determine such relevant currency equivalent of any sums payable as a dividend by reference to such market rate or rates or the mean of such market rates prevailing at such time or times or on such other date or dates, in each case falling before the time of the relevant announcement, as the Directors may in their discretion select.

114 No dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes.

115 Subject to the provisions of the Statutes, where any asset, business or property is bought by the Company as from a past date the profits and losses thereof as from such date may at the discretion of the Directors in whole or in part be carried to revenue account and treated for all purposes as profits or losses of the Company. Subject as aforesaid, if any shares or securities are purchased cum dividend or interest, such dividend or interest may at the discretion of the Directors be treated as revenue, and it shall not be obligatory to capitalise the same or any part thereof.

116 No dividend or other moneys payable on or in respect of a share shall bear interest as against the Company.

117 (A) The Directors may retain any dividend or other moneys payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(B) The Directors may retain the dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a member, or which any person is under those provisions entitled to transfer, until such person shall become a member in respect of such shares or shall transfer the same.

118 The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the shareholder (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

119 The payment by the Directors of any unclaimed dividend or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof and any dividend unclaimed after a period of twelve years from the date of declaration of such dividend shall be forfeited and shall revert to the Company.

120 The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such Resolution. In addition the Directors may direct payment of any dividend in whole or in part by the distribution of Designated Shares. If at any time and from time to time there have been, or will be, allotted any shares which are Designated Shares, the Directors resolve to allot to any person any Ordinary Shares (whether or not pursuant to an existing obligation of the Company) the Directors may, if and so far as in the opinion of the Directors the profits of the Company justify such payments, either at the time of such allotment or at any time thereafter, resolve that there be paid to the registered holder of such Ordinary Shares as

at the close of business (or at such other time as the Directors may determine) on such date as the Directors may specify a dividend to be paid by the distribution of Designated Shares in such amount and manner as will secure that such holder will receive one Designated Share for each Ordinary Share held by him. (If and so far as the foregoing provisions are inconsistent with those contained in Articles 112, 113, 121 or 123, the foregoing provisions shall prevail.) Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient and in particular may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any members upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors. The Directors may in relation to any such distribution of Designated Shares authorise any person to enter on behalf of all the members interested into an agreement with the relevant Designated Subsidiary whereby such members agree to become members and to be bound, in respect of their holdings of Designated shares from time to time, by the Memorandum and Articles of Association (as amended from time to time), of such Designated Subsidiary and each mandate or other instruction relating to the payment of dividends or making of distributions by the Company, and which is in force at the time of determining entitlement to any distribution of Designated Shares, shall, unless and until revoked, become a valid and binding mandate or other instruction to such Designated Subsidiary in respect of any dividend or other distribution paid or made by it, and any agreement made under the authority given to the Directors pursuant to this Article shall be effective and binding on all concerned.

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121 (A) Any dividend or other moneys payable in cash (whether in sterling or foreign currency pursuant to provision made under these presents) on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address (or in the case of an Approved Depositary, subject to the approval of the Directors, such persons and addresses as an Approved Depositary may direct) of the member or person entitled thereto (or, if two or more persons are registered as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such member or person or persons may by writing direct. Every such cheque or warrant shall be made payable to, or to the order of, the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. If any such cheque or warrant has or shall be alleged to have been lost, stolen or destroyed, the Directors may, on request of the person entitled thereto, issue a replacement cheque or warrant subject to compliance with such conditions as to evidence and indemnity and the payment of out of pocket expenses of the Company in connection with the request as the Directors may think fit. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby. If on three consecutive occasions cheques or warrants in payment of dividends or other moneys payable on or in respect of any share have been sent through the post in accordance with the provisions of this Article but have been returned undelivered or left uncashed during the periods for which the same are valid, the Company need not thereafter despatch further cheques or warrants in payment of dividends or other moneys payable on or in respect of the share in question until the member or other person entitled thereto shall have communicated with the Company and supplied in writing to the Transfer Office an address for the purpose.

(B) where an Approved Depositary approved by the Directors for the purposes of this Article has elected or agreed pursuant to provision made under these presents to receive dividends in a foreign currency, the Directors may in their

discretion approve the entering into of arrangements with such Approved Depository to enable payment of the dividend to be made to such Approved Depository in such foreign currency for value on the date on which the relevant dividend is paid, or such later date as the Directors may determine.

122 If two or more persons are registered as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any dividend or other moneys payable or property distributable on or in respect of the share.

RECORD DATE

123 Notwithstanding any other provision of these presents but subject always to the Statutes, the Company or the Directors may by resolution specify any date (the "record date") as the date at the close of business (or such other time as the Directors may determine) on which persons registered as the holders of shares or other securities shall be entitled to receipt of any dividend, distribution, interest, allotment, issue, notice, information, document or circular and such record date may be on or at any time before the date on which the same is paid or made or (in the case of any dividend, distribution, interest, allotment or issue) at any time after the same is recommended, resolved, declared or announced but without prejudice to the rights inter se in respect of the same of transferors and transferees of any such shares or other securities.

CAPITALISATION OF PROFITS AND RESERVES

124 The Directors may, with the sanction of an Ordinary Resolution of the Company, capitalise any sum standing to the credit of any of the Company's reserve accounts (including any share premium account, capital redemption reserve or other undistributable reserve) or any sum standing to the credit of profit and loss account by appropriating such sum to the members who would have been entitled to it if it were distributed by way of dividend on the Ordinary Shares and in the same proportions and applying such sum on their behalf in paying up in full unissued Ordinary Shares (or, subject to any special rights previously conferred on any shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportions aforesaid. The Directors may do all acts and things considered necessary or expedient to give effect to any such capitalisation, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions as to the date or dates by reference to which the entitlement of such members is to be determined and provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the members concerned). The Directors may authorise any person to enter on behalf of all the members interested into an agreement with the Company providing for any such capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.

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<PAGE> ACCOUNTS

125 Accounting records sufficient to show and explain the Company's transactions and otherwise complying with the Statutes shall be kept at the Office, or at such other place as the Directors think fit, and shall always be open to inspection by the officers of the Company. Subject as aforesaid no member of the Company or other person shall have any right of inspecting any account or book or document of the Company except as conferred by statute or ordered by a court of competent jurisdiction or authorised by the Directors.

126 A copy of every balance sheet and profit and loss account which is to be
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laid before a General Meeting of the Company (including every document required by law to be comprised therein or attached or annexed thereto) shall not less than twenty-one days before the date of the meeting be sent to every member of, and every holder of debentures of, the Company and to every other person who is entitled to receive notices of meetings from the Company under the provisions of the Statutes or of these presents. Provided that this Article shall not require a copy of these documents to be sent to more than one of joint holders or to any person of whose address the Company is not aware, but any member or holder of debentures to whom a copy of these documents has not been sent shall be entitled to receive a copy free of charge on application at the Office and provided further that if the Statutes so permit the Company need not send copies of these documents to members who do not wish to receive them but may send them such summary financial statement or other documents as may be authorised by the Statutes. So long as and whenever any of the shares or debentures of the Company are for the time being listed or dealt in on the London Stock Exchange, there shall be forwarded to the appropriate officer of the London Stock Exchange such number of copies of such documents as may for the time being be required under its regulations or practice.

AUDITORS

127 Subject to the provisions of the Statutes, all acts done by any person acting as an Auditor shall, as regards all persons dealing in good faith with the Company, be valid, notwithstanding that there was some defect in his appointment or that he was at the time of his appointment not qualified for appointment or subsequently become disqualified.

128 An Auditor shall be entitled to attend any General Meeting and to receive all notices of and other communications relating to any General Meeting which any member is entitled to receive and to be heard at any General Meeting on any part of the business of the meeting which concerns him as Auditor.

NOTICES

129 (A) Any notice or document (including a share certificate) may be served on or delivered to any member by the Company either personally or by sending it through the post in a prepaid cover (in such form as any Director or the Secretary may determine) addressed to such member at his registered address, or (if he has no registered address within the United Kingdom) to the address, if any, within the United Kingdom supplied by him to the Company as his address for the service of notices, or by delivering it to such address addressed as aforesaid. In the case of a member registered on a branch register any such notice or document may be posted either in the United Kingdom or in the territory in which such branch register is maintained. The Directors may also determine, subject to the provisions of the Statutes, that any notice or document (excluding a share certificate) may be served on or delivered to any member by the Company either by facsimile to a facsimile number supplied by him to the Company or by electronic mail to an electronic address supplied by him to the Company.

(B) Where a notice or other document is served or sent by post, service or delivery shall be deemed to be effected at the expiration of twenty-four hours (or, where second-class mail is employed, forty-eight hours) after the time when the cover containing the same is posted and in proving such service or delivery it shall be sufficient to prove that such cover was properly addressed, stamped and posted. Subject to the provisions of the Statutes and these presents, where a notice or other document is sent by electronic mail or by facsimile, service or delivery shall be deemed to be effected at the expiration of two hours from the time of transmission.

stands first in the Register of Members in respect of the share shall be sufficient notice to all the joint holders in their capacity as such. For such purpose a joint holder having no registered address in the United Kingdom and not having supplied an address within the United Kingdom for the service of notices shall be disregarded.

131 A person entitled to a share in consequence of the death or bankruptcy of a member upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, and upon supplying also an address within the United Kingdom for the service of notices, shall be entitled to have served upon or delivered to him at such address any notice or document to which the member but for his death or bankruptcy would have been entitled, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share. Save as aforesaid any notice or document delivered or sent by post to or left at the address of any member in pursuance of these presents shall, notwithstanding that such member be then dead or bankrupt or in liquidation, and whether or not the Company have notice of his death or bankruptcy or liquidation, be deemed to have been duly served or delivered in respect of any share registered in the name of such member as sole or first-named joint holder.

132 A member who (having no registered address within the United Kingdom) has not supplied to the Company an address within the United Kingdom for the service of notices shall not be entitled to receive notices from the Company. If on three consecutive occasions notices have been sent through the post to any member at his registered address or his address for the service of notices but have been returned undelivered, such member shall not thereafter be entitled to receive notices from the Company until he shall have communicated with the Company and supplied in writing to the Transfer Office a new registered address or address within the United Kingdom for the service of notices.

133 If at any time by reason of the suspension or curtailment of postal services within the United Kingdom the Company is unable effectively to convene a General Meeting by notices sent through the post, a General Meeting may be convened by a notice advertised on the same date in at least two leading daily newspapers with appropriate circulation and such notice shall be deemed to have been duly served on all members entitled thereto at noon on the day when the advertisement appears. In any such case the Company shall send confirmatory copies of the notice by post if at least seven days prior to the meeting the posting of notices to addresses throughout the United Kingdom again becomes practicable.

134 Nothing in any of the preceding five Articles shall affect any requirement of the Statutes that any particular offer, notice or other document be served in any particular manner.

WINDING UP

135 The Directors shall have power in the name and on behalf of the Company to present a petition to the Court for the Company to be wound up.

136 If the Company shall be wound up (whether the liquidation is voluntary, under supervision or by the Court) the Liquidator may, with the authority of an Extraordinary Resolution, divide among the members in specie or kind the whole or any part of the assets of the Company and whether or not the assets shall consist of property of one kind or shall consist of properties of different kinds, and may for such purpose set such value as he deems fair upon any one or more class or classes of property and may determine how such division shall be carried out as between the members or different classes of members. The Liquidator may, with the like authority, vest any part of the assets in trustees upon such trusts for the benefit of members as the Liquidator with the like authority shall think fit, and the liquidation of the Company may be closed and the Company dissolved, but so that no contributory shall be compelled to accept

any shares or other property in respect of which there is a liability.

INDEMNITY

137 Subject to the provisions of and so far as may be consistent with the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and/or discharge of his duties and/or the exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office.

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CO-CHAIRMAN

138 (A) The Directors may appoint one of their number as Co-Chairman on such terms as they may determine and the provisions of Articles 51, 78 and 95 shall apply to any person so appointed and references herein to Chairman shall be construed to mean Co-Chairman, or any one of them.

(B) For so long as there are Co-Chairmen, the Chairman to preside at a meeting of the Directors or of the Company shall be determined by agreement between them, or if no such agreement can be reached, by the Directors present.

SHARE WARRANTS

139 Subject to the Statutes and Articles 140 to 144, the Company with respect to any fully-paid shares may issue to such persons as the Directors may decide (the "Bearer") share warrants to bearer ("Share Warrants") under the Seal stating that the Bearer is entitled to the shares therein specified and may provide (by coupons or otherwise) for the payment or making of future dividends or other distributions, and the issue of shares pursuant to Article 124, on or in respect of the shares included in such Share Warrants.

140 A Share Warrant shall entitle the Bearer thereof to the shares specified in it, and the shares represented by it may be transferred by the delivery of the Share Warrant, and the provisions of these presents (other than this Article 140) with respect to the transfer and transmission of shares and untraced shareholders shall not apply thereto.

141 (A) The Directors shall be entitled (but not obliged) to accept a certificate (in such form as the Directors may approve) of the ADR Depositary (as hereinafter defined), or of any bank or agent of the Company, that such banks, agent or the ADR Depositary holds a specified Share Warrant on behalf of the person named in the certificate as sufficient evidence of the facts stated in such certificate including the number of shares specified in it, and may treat the deposit of such certificate at the Transfer Office as equivalent to the deposit there of the Share Warrant for the purposes of these presents other than in relation to Article 144.

(B) The expression "ADR Depositary" shall mean a custodian or other person or persons appointed from time to time by the Company to hold Share Warrants.

142 The Share Warrants shall be subject to the following conditions:-

(i) Except as otherwise provided in sub-paragraph (vii) of this Article, no Share Warrant shall be issued except upon a request in writing by the person for the time being named in the Register of Members as the holder of the shares in respect of which the Share Warrant is to be issued. The Directors shall not be under any obligation to accede to any such request.

(ii) The request shall be in such form, and supported by such evidence as to the identity of the person making the same and of his right or title to the

shares, as the Directors shall from time to time require, and shall be lodged at the Transfer Office.

(iii) Before the issue of a Share Warrant the share certificates (if any) then outstanding in respect of the shares to be included in the Share Warrant shall be delivered up to the Company for cancellation.

(iv) Save as otherwise agreed by the Company, any person applying to have a Share Warrant issued shall be responsible for, and shall indemnify the Company against, any stamp duties, stamp duty reserve tax, bearer instrument duty, taxes, charges, fees, interest and penalties payable (if any) in respect of the issue of the Share Warrant and shall pay to the Company at the time of such issue such amount in respect thereof as the Company may require.

(v) Each Share Warrant shall represent such number of shares and be in such language and form as the Directors shall think fit.

(vi) The Company shall be entitled to recognise an absolute right in the Bearer for the time being of any Share Warrant to such amount of dividend or other moneys payable on or in respect of the shares included in such Share Warrant, as shall have been declared or otherwise be payable, upon the presentation or delivery of such Share Warrant, and payment by or on behalf of the Company to an account or accounts specified by the person presenting such Share Warrant to the Transfer Office against such presentation or delivery shall be a good discharge to the Company accordingly.

(vii) Save as otherwise agreed by the Company, subject to the payment to the Company of all (if any) stamp duties, stamp duty reserve tax, bearer instrument duty, taxes, charges, fees, interest and penalties which may thereby be involved and for which the Company may be required to account:-

(a) if any Share Warrant is worn out, damaged or defaced, a replacement Share Warrant will be issued upon request and upon surrender of the old Share Warrant for cancellation;

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(b) if any Share Warrant is alleged to have been lost, stolen or destroyed, a replacement Share Warrant may, at the discretion of the Directors, be issued to the person claiming to be entitled thereto upon request and upon compliance with such conditions as to evidence and indemnity and the payment of out-of-pocket expenses of the Company in connection with the request as the Directors may think fit provided that no new Share Warrant may be issued to replace one that has been lost unless the Directors are satisfied beyond reasonable doubt that the original has been destroyed; and

(c) a Bearer may surrender for cancellation any Share Warrant and request that the Company issue in lieu two or more Share Warrants which together represent the same shares in such proportion as he may specify and the Directors may, if they think fit, authorise the cancellation of the original Share Warrants and the issuance of such new Share Warrants.

(viii) A Bearer may at any time deposit the Share Warrant together with a written declaration specifying his name and address at such place as the Directors may from time to time appoint (or, in default of such appointment, at the Transfer Office), and, so long as the Share Warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, of giving notice of intention to submit a resolution to a meeting, of attending and voting, giving a proxy and exercising the other rights and privileges of a member at any meeting held after the expiration of 48 hours from the time of deposit, as if from the time of deposit his name were inserted in the Register as the holder of the shares specified in the deposited Share Warrant. Not more than one person shall be recognised as depositor of any

Share Warrant. Every Share Warrant which shall have been so deposited as aforesaid shall remain so deposited until after the close of the meeting at which the depositor desires to attend or to be represented. Save as otherwise expressly provided, no person shall, as bearer of a Share Warrant, be entitled to sign a requisition for calling a General Meeting.

(ix) Subject as otherwise expressly provided in Articles 139 to 144, a Bearer (or the depositor of a Share Warrant in accordance with Article 142(viii)) shall be entitled in all other respects to the same rights, benefits, privileges and advantages, accorded from time to time pursuant to these presents or by the Statutes (subject to these presents) and subject to the same obligations and duties as if he were named in the Register as the holder of the shares specified in the Share Warrant, and he shall be deemed to be a member of the Company for these purposes.

143 (A) In the case of an offer of shares, securities or debentures to members or any class of members, or a proposed issue of shares pursuant to Article 124, it shall be sufficient, so far as any Bearer is concerned, to advertise the fact of the proposed offer or issue once in a leading London daily newspaper, and such other newspapers (if any) as the Directors may from time to time determine, and upon the Bearer depositing the Share Warrant (or, if appropriate, the requisite coupon) at the Transfer Office, or some other place or places mentioned in the advertisement, within the time limit prescribed in the offer, he shall have the same right to receive the offer and accept the proportionate number of shares, securities or debentures within the time limit prescribed in the offer, or to participate in the proposed issue of shares pursuant to Article 124, as if he were the registered holder of the shares comprised in the Share Warrant.

(B) In the case of any notice or document or other communication with members or any class of members, it shall be sufficient, so far as any Bearer is concerned, to advertise the notice, document or other communication once in a leading London daily newspaper, and such other newspapers (if any) as the Directors may from time to time determine, and giving an address where copies of the notice, document or other communication may be obtained by any Bearer.

144 If a Bearer shall desire to surrender a Share Warrant and be registered as a member or request that another person be registered as a member in respect of all or any of the shares included in such Share Warrant, he shall lodge at such place as the Directors may from time to time appoint (or, in default of such appointment, at the Transfer Office) for cancellation of such Share Warrant together with a declaration in writing signed by him in such form and authenticated in such manner as the Directors may require, requesting to be registered as a member in respect of all or some of the shares specified in such Share Warrant and stating in such declaration his full name and address. Save as otherwise agreed by the Company, upon the payment to the Company of all (if any) stamp duties, stamp duty reserve tax, bearer instrument duty, taxes, charges, fees, interest and penalties which may thereby be incurred by the Company or for which the Company is required to account, the person giving such declaration shall thereupon be entitled to have his name entered as a member in the Register in respect of the relevant shares specified in the Share Warrant so surrendered and to receive a share certificate therefor. If the Bearer shall desire to be registered as a member in respect of part only of the shares included in such Share Warrant, a Share Warrant for the balance of the shares shall be issued to such person without charge upon cancellation of the Share Warrant so surrendered.

rights conferred hereinbefore in these presents, an Approved Depositary may appoint as its proxy or proxies such person or persons as it thinks fit and may determine the method by which, and the terms on which, such appointments are made, save that each such appointment shall specify the number of Ordinary Shares in respect of which the appointment is made and the aggregate number of Ordinary Shares in respect of which appointments subsist at any one time shall not exceed the aggregate number of Ordinary Shares (such aggregate number of Ordinary Shares for the time being hereinafter called "the Depositary Shares") which for the time being shall either:-

(i) be registered in the name of the Approved Depositary or its nominee;
or

(ii) be represented by Share Warrants which have been deposited by or on behalf of the Approved Depositary pursuant to Article 142(viii) or are the subject matter of a certificate accepted by the Directors pursuant to Article 141(A).

146 The Approved Depositary shall maintain a register or system(s) ("the Proxy Register") in which shall be recorded such details as the Directors may determine of each person who is for the time being so appointed as a proxy pursuant to Article 145 (an "Appointed Proxy") and the number of Depositary Shares (his "Appointed Number") in respect of which his appointment for the time being subsists. The Proxy Register shall be open to inspection by any person authorised by the Company during usual business hours and the Approved Depositary shall furnish to the Company or its agents upon demand all such information as to the contents of the Proxy Register, or any part of it, as may be requested.

147 Subject to the Statutes and subject to the provisions of these presents, and so long as the Depositary Shares shall be of a sufficient number so as to include his Appointed Number, an Appointed Proxy:-

(i) shall upon production to the Company at a General Meeting of written evidence of his appointment (which shall be in such form as the Company and the Approved Depositary shall determine from time to time) be entitled to the same rights, and subject to the same restrictions, in relation to his Appointed Number of the Depositary Shares as though such shares were registered in the name of the Appointed Proxy and he were a person appointed as proxy pursuant to an instrument of proxy duly signed by the Approved Depositary in accordance with Article 67(A) and left at the Transfer Office (or at such other place as may have been specified for the purpose in accordance with Article 67(A)) not less than 48 hours (or such shorter time as the Directors may determine) before the time appointed for the meeting (or adjourned meeting) or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used;

(ii) shall himself be entitled, by an instrument of proxy duly signed by him pursuant to Article 67(A), to appoint another person as his proxy in relation to his Appointed Number of Depositary Shares, and so that the provisions of these presents shall apply (*mutatis mutandis*) in relation to an instrument signed pursuant to this paragraph (ii) of this article and to a person appointed pursuant to such an instrument as though such shares were registered in the name of the Appointed Proxy and the instrument were a form of proxy signed by the Appointed Proxy in accordance with Article 67(A); and

(iii) shall be entitled to exercise all other rights capable of being exercised in relation to a General Meeting by a person who has deposited pursuant to Article 142(viii) (and has left on such deposit) a Share warrant or Share warrants representing Ordinary Shares of a number equivalent to his Appointed Number.

148 The Company may send to the Appointed Proxies as appearing in the Proxy
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Register at their addresses as so appearing all notices and other documents which are sent to the holders of Ordinary Shares.

149 The Company may pay to an Appointed Proxy at his address as shown in the Proxy Register all dividends payable on the Ordinary Shares in respect of which he has been appointed as Appointed Proxy, and payment of any such dividend shall be a good discharge to the Company of its obligation to make payment to the Approved Depositary in respect of the shares concerned.

150 (A) For the purposes of determining which persons are entitled as Appointed Proxies:-

- (i) to exercise the rights conferred by Article 147;
- (ii) to receive documents sent pursuant to Article 148; and
- (iii) to be paid dividends paid pursuant to Article 149,

and the number of Depositary Shares in respect of which a person is to be treated as having been appointed as an Appointed Proxy for such purpose, the Approved Depositary may determine that the Appointed Proxies who are so entitled shall be the persons entered in the Proxy Register at the close of business on a date (a "Record Date") determined by the Approved Depositary in consultation with the Company.

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(B) When a Record Date is determined for a particular purpose:-

(i) the number of Depositary Shares in respect of which a person entered in the Proxy Register as an Appointed Proxy is to be treated as having been appointed for that purpose shall be the number appearing against his name in the Proxy Register as at the close of business on the Record Date; and

(ii) changes to entries in the Proxy Register after the close of business on the Record Date shall be disregarded in determining the entitlement of any person for the purpose concerned.

151 Except as required by law, no Appointed Proxy shall be recognised by the Company as holding any interest in shares upon any trust and subject to the recognition of the rights conferred in relation to General Meetings by appointments made by Appointed Proxies pursuant to Article 147(ii) the Company shall be entitled to treat any person entered in the Proxy Register as an Appointed Proxy as the only person (other than the Approved Depositary) who has any interest in the Ordinary Shares in respect of which the Appointed Proxy has been appointed.

152 If any question shall arise as to whether any particular person or persons has or have been validly appointed to vote (or exercise any other right) in respect of any Depositary Shares (whether by reason of the aggregate number of shares in respect of which appointments are recorded in the Proxy Register exceeding the aggregate number of Depositary Shares or for any other reason) such question shall if arising at or in relation to a General Meeting be determined by the chairman of the meeting (and if arising in any other circumstances shall be determined by the Directors) whose determination (which may include declining to recognise a particular appointment or appointments as valid) shall if made in good faith be conclusive and binding on all persons interested.

* with effect from the date upon which the agreement and plan of merger dated 31 March 1999 between BP Amoco, ARCO and Prairie Holdings becomes unconditional, the Ordinary share capital of the Company will increase to US\$9,000,000,000 divided into 36,000,000,000 Ordinary Shares of US\$0.25 each.

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Company Limited by Shares

BP Amoco p.l.c.

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